

JASPER COUNTY, SOUTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

COUNTY COUNCIL

HENRY ETHERIDGE, CHAIRMAN

BARBARA CLARK
THEODUS L. DRAYTON

TOM JOHNSON
MARTIN SAULS, IV

COUNTY ADMINISTRATOR
ANDREW P. FULGHUM

DIRECTOR OF ADMINISTRATIVE SERVICES
RONNIE MALPHRUS

PREPARED BY:
FINANCE DEPARTMENT

Jasper County, South Carolina
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013

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INTRODUCTORY SECTION



Jasper County Council

358 THIRD AVENUE • RIDGELAND, SC 29936
P.O. BOX 1149 • RIDGELAND, SC 29936

HENRY ETHERIDGE
Chairman

BARBARA CLARK
Vice Chairman

THEODUS L. DRAYTON
Councilman

D. THOMAS JOHNSON
Councilman

L. MARTIN SAULS, IV
Councilman

December 10, 2013

The Honorable Members of County Council and the Citizens of Jasper County, South Carolina

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted accounting standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Jasper County for the fiscal year ended June 30, 2013.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the County has established a comprehensive internal control framework, that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the costs of internal controls should not outweigh their benefits, Jasper County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Baird & Company CPAS, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2013 are free of material misstatement. The independent audit involves examining on a test basis, evidence supporting the amounts and disclosures in the financial statement presentation; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Jasper County's MD&A can be found immediately following the report of the independent auditors.

In addition to the fund-by-fund financial information currently presented in the County's financial statements, we are now including government-wide financial statements. The government-wide financial statements include a statement of net assets that provides the total net equity of the County including infrastructure and the statement of activities that shows the cost of providing government services. These statements have been prepared using the full accrual basis of accounting versus the modified accrual method used in the fund financial statements. A reconciliation report is provided as a key to understanding the changes between the two reporting methods. In addition, the new reporting model includes an emphasis on the County's major funds as shown in the governmental fund statements. These new statements combined with other information are further analyzed in a new narrative section called management's discussion and analysis (MD&A). The MD&A provides "financial highlights and interprets the financial reports by analyzing trends and by explaining changes, fluctuations and variances in the financial data." In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the County.

Profile of the Government

The County was founded in 1912 is located in the Southeastern part of South Carolina, just north of Savannah, Georgia. The County currently occupies a land area of 662 square miles and serves a population of 25,195. The County is empowered to levy a property tax on both real and personal properties located within its boundaries.

The County operates under the council administrator form of government. Policy-making and legislative authority are vested in a governing council consisting of five members. The governing council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring both the government's administrator and attorney. The government's administrator is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of various departments. The Council members serve four-year staggered terms, with three council members elected every two years. Four of the council members are elected to single member districts and one member is elected at large.

The County provides a full range of services including: police and fire protection, the maintenance of highways, streets, and other infrastructure, recreational activities, and cultural events, sanitation services, emergency medical services, E-911 and courts service. The County underwent a salary and staffing study that redefined the functional areas of certain department heads. These recommendations were adopted by the County to allow for greater accountability. The financial statements were reorganized to comply with these changes. As a result information prior to fiscal year 2002 was not available for the statistical section.

The annual budget serves as the foundation for the County's financial planning and control. All departments of Jasper County are required to submit requests for appropriations to the administrator on or before the last day in March each year. The County administrator uses these requests as the starting point for developing a proposed budget. The County administrator then presents this proposed budget to the council for review prior to May 15th. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30th, the close of the County's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the administrator at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in the report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 48-50 as part of the required supplementary information for governmental funds.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local Economy

The County's fiscal year 2014 assessable base is \$111,177,656, up 3% from the assessable base of \$108,246,452 in fiscal year 2013. The County's private sector average weekly wage increased 4.26% from \$610 last year to the current \$636. The U.S. Census reports that the median family income for Jasper County is \$36,696.

The 2012 U.S. Census population estimate for Jasper County is 25,833. A 2006 study completed by Clemson University's Strom Thurmond Institute projected that Jasper County would grow in population to 177,000 residents by 2026. The U.S. Census reports a 4.3% population percentage increase in Jasper County from April 1, 2010 to July 1, 2012. The State of South Carolina experienced a 2.1% population increase statewide during the same period.

Jasper County is located west of Beaufort County and the Towns of Bluffton and Hilton Head Island. There are two municipalities within Jasper County-- the Town of Ridgeland, which is the County seat and is located in the center of the County and the City of Hardeeville, which is located in the southern portion of the County. Interstate 95 (I-95) runs north and south through the middle of the County for a distance of 36 miles with seven interchanges. Two primary corridors, US 278 running east/west and SC 170 running north/south, accommodate a majority of the tourist traffic in both Jasper and Beaufort Counties. Most of Jasper County's large-scale residential and commercial growth is occurring along these corridors in multi-use communities with vested densities.

Approximately 30,000 acres of large tract, mixed-use development projects have been approved in those areas. Over the past eight years, Jasper County, the City of Hardeeville, and the Town of Ridgeland have authorized approximately 77,000 new dwelling units. Over 4,000 acres of proposed commercial development projects have also been approved.

As a result of the financial and economic problems that have negatively impacted the United States since 2008, Jasper County has experienced a growth slow-down yet continues to grow at roughly 2% each year. The impact of a construction slowdown in Jasper County was hard felt, as many private sector jobs in the County have traditionally been construction related. Many Jasper County residents also are employed in service industries supporting tourism related business in neighboring Beaufort County.

Jasper County's unemployment rate is currently 6.9%. Jasper County is presently ranked 41st in unemployment in the state out of 46 counties. There are presently only 5 South Carolina counties with lower unemployment rates. Before the economic downturn, Jasper County also had one of the lowest unemployment rates in the state. The County has long suffered from an underemployment problem rather than an unemployment problem. Even before the economic downturn, Jasper County understood the need for creating sustainable jobs for its residents and diversifying its tax base.

For many years, the County has supported a regional approach to economic development and job creation. The idea of developing a regional economic development vision and leveraging regional economic development resources to attract sustainable jobs makes sense for the County.

In June of 2012, the County joined the Southern Carolina Regional Development Alliance (SCA). The SCA is a regional economic development organization representing Allendale, Bamberg, Barnwell, Colleton, Hampton and Jasper Counties in the southern part of South Carolina. The SCA was formed as a non-profit economic development organization to aggressively market the Southern Carolina area for industrial locations. The SCA's economic development team consists of site location professionals prepared to quickly assess site location needs and formulate sites and present existing buildings that will meet the client's business needs. Working with the South Carolina Department of Commerce, the SCA prepares incentive packages that are the most competitive offered in the Southeastern United States.

The County has evaluated public and private sites within Jasper County that have been proposed for economic development projects. The County and the SCA are currently focused on creating several

industrial sites along I-95. Efforts are underway to publicly and privately finance infrastructure improvements/extensions to and within these properties. River Port Business Park, a privately owned, 1,400 acre premier logistics center for warehousing, distribution, and light industrial use, is currently being developed in the City of Hardeeville. Efforts are underway to secure property and additional infrastructure at Point South located at Exit 33 on I-95. A new speculative building is planned for construction in the County-owned Cypress Ridge Industrial Park just west of the interstate and the Town of Ridgeland. Jasper County and the Town of Ridgeland have worked jointly toward developing a new industrial park along I-95 between Exits 21 & 22 in Ridgeland known as the Ridgeland Industrial Park. Additionally, Jasper County and the City of Hardeeville are working together to develop a City-owned industrial park named the Hardeeville Commerce Park, which is located along I-95 at Exit 5.

Since 2007, the States of Georgia and South Carolina have been working together to develop through a bi-state effort to construct and operate a new deep-water shipping terminal in Jasper County on approximately 1,500 acres of land located in the southern portion of Jasper County along the Savannah River. This port has been named the Jasper Ocean Terminal (JOT). Georgia and South Carolina jointly purchased the property and established a bi-state, joint project office to oversee the development of the new port. All but one of the preliminary design and feasibility studies have been completed for the new port. The permitting process is expected to commence upon the completion of the final study.

The new port will have a tremendous impact on the local economy and presents the potential for substantial financial benefit to Jasper County. It has been estimated that the new port will produce four hundred and fifty direct jobs, as many as ninety-eight thousand new jobs in the region, one million jobs overall and \$9 billion in new tax revenue to the States of Georgia and South Carolina.

For the past decade, the State of Georgia has also been preparing to further dredge the Savannah River to enable larger ships to use the Garden City Marine Terminal. The Georgia Ports Authority is timing the project to enable the state to service the larger vessels traveling through the Panama Canal when it reopens in 2015.

Long-term Financial Planning

Jasper County spent much time and effort in years past trying to understand and manage the growth it was experiencing. One of the primary concerns was in assuring that the future cost of providing County services did not exceed the revenues received from the new growth. To that end, the County maintained a growth management strategy that encouraged a vast majority of all of the residential and commercial development to take place within the corporate boundaries of either the City of Hardeeville or the Town of Ridgeland. Virtually all of the new, large-scale growth will undoubtedly now take place within the corporate limits of the County's two municipalities.

With most of the planned residential and commercial development, Jasper County and the municipalities of Hardeeville and Ridgeland have been involved in jointly negotiating development agreements with developer fees that offset the initial cost of providing additional government services beyond property tax revenue generated from the development. Fees are assessed to assist the entities with providing school, library, police, fire and parks and recreation infrastructure. When and if all of the residential and commercial development proceeds as proposed, the County and its municipalities will receive over \$300 million in voluntary developer fees.

The Jasper County Council also supports the development of affordable housing to ensure that affordable housing opportunities remain in Jasper County as the area grows. An affordable housing market analysis has been completed for Jasper County and new affordable rental, single-family home construction, and rehabilitation projects have been completed. The County has provided direct financial support for one of the projects, grant funding for another, and a budget appropriation to a non-profit organization developing affordable housing in the County.

Over the past several years, the County reacted to uncertain financial conditions by cutting its operating budget, reducing its workforce, and controlling expenditures. This year, the County is able to see the positive results of making those difficult financial management decisions. The County's bond rating with

Standard & Poor's increased from A+ to AA- and the County ends the year with overall expenditures under budget by \$748,899, a fund balance increase of \$1,589,334, a combined ending fund balance of \$11,787,792, and an unassigned fund balance for the general fund of \$6,868,983 or 32% of the total fund expenditures.

Since 2008, the County has progressed from struggling to provide services with shrinking revenue sources and a depleted fund balance through budgeting to provide services with relatively flat revenues to now seeing increased revenue from growth and solid growth in fund balance. The combined, multi-year efforts to institute financial austerity measures, reduce basic operating expenditures and defer capital purchases have greatly benefited the County. Going forward, the County will be in the fortunate position to be able to consider using some of its fund balance to replace essential equipment and rolling stock without having to finance such purchases.

Significant Financial Policies

The following policies had a significant impact on the current period financial statements:

1. Revenues were over budget by \$976,109.
2. Detention Center costs were under budget \$364,482.
3. Interdepartmental costs were under budget \$314,471.
4. Post employment benefits increased by \$892,232.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to Jasper County, South Carolina for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the fifteenth consecutive year that Jasper County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to certificate of achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the cooperation of the department heads and staff of the County. Each of these individuals has our sincere appreciation for the contributions made in the preparation of this report.

Sincerely,



Andrew P. Fulghum
County Administrator



Ronnie Malphrus
Director of Administrative Services &
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

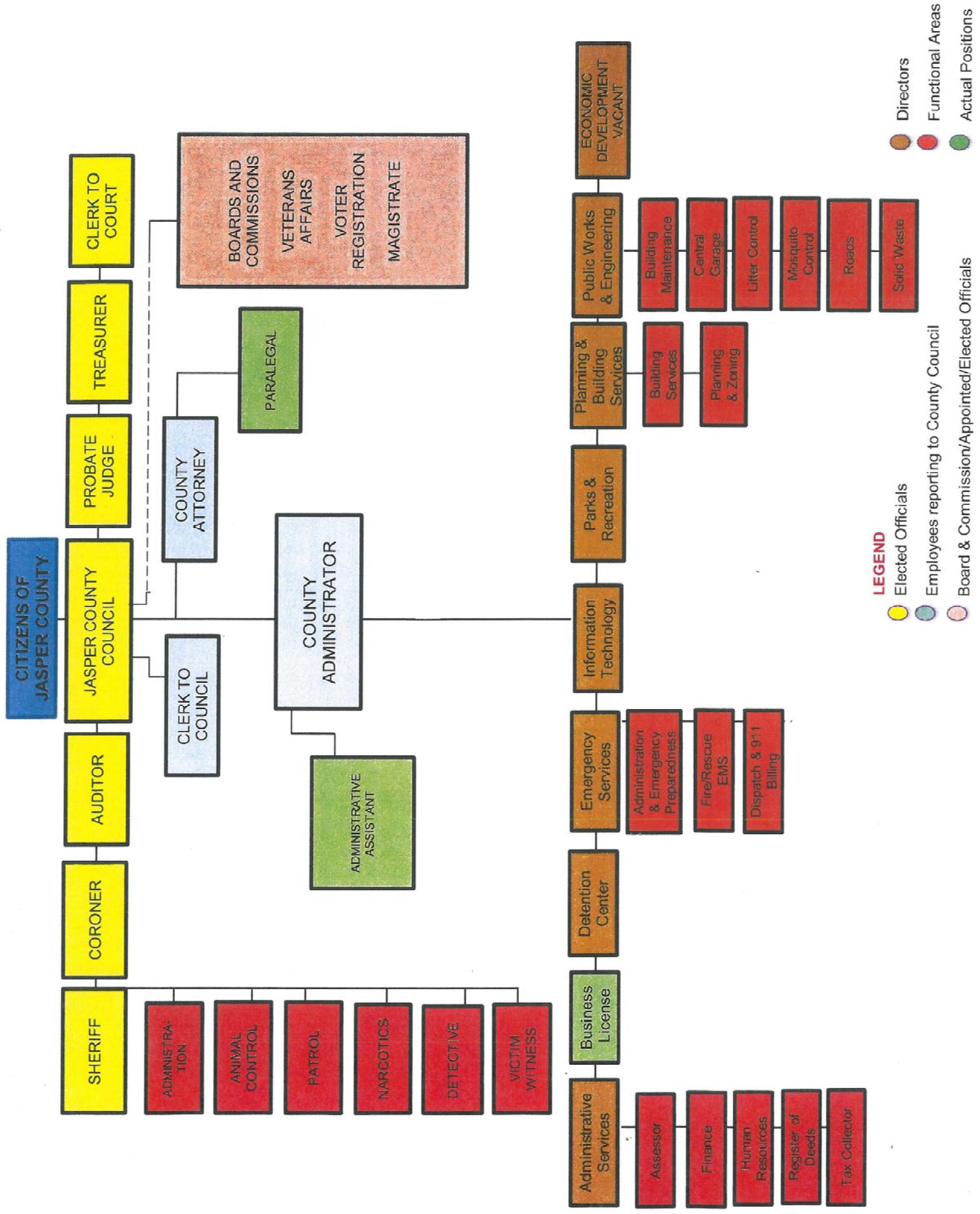
Presented to

**Jasper County
South Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



LEGEND

- Yellow circle: Elected Officials
- Blue circle: Employees reporting to County Council
- Green circle: Board & Commission/Appointed/Elected Officials
- Orange circle: Directors
- Red circle: Functional Areas
- Light green circle: Actual Positions

**JASPER COUNTY, SOUTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013**

TITLE	NAME
Chairman – County Council.....	Henry Etheridge
Vice Chairman – County Council.....	Barbara Clark
Council Member.....	Theodus L. Drayton
Council Member.....	Martin Sauls, IV
Council Member.....	Tom Johnson
Administrator.....	Andrew P. Fulghum
Director of Administrative Services.....	Ronnie Malphrus
Director of Engineering Services.....	Dale Terry
Director of Emergency Services.....	Wilbur Daley
Treasurer.....	Verna Garvin
Sheriff.....	Gregory Jenkins
Auditor.....	Hazel Holmes

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 12-19 and 48-50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Jasper County, South Carolina's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, capital assets used in the operation of the governmental fund schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, capital assets used in the operation of the governmental fund schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, combining statement of fiduciary assets and liabilities, schedule of court fines, assessments and surcharges, capital assets used in the operation of the governmental fund schedules, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, on our consideration of Jasper County, South Carolina's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Jasper County, South Carolina's internal control over financial reporting and compliance.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 10, 2013

Jasper County, South Carolina **Management's Discussion and Analysis**

As management of Jasper County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1 to 6 of this report.

Financial Highlights

- The assets of the County exceed its liabilities at the close of the most recent fiscal year by \$20,848,827 (net position). Of this amount, \$5,782,354 (unrestricted net position) may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$685,990. However, the beginning net position was reduced \$1,633,857 to write off unamortized bond issue costs.
- As of the close of the current fiscal year the County's governmental funds reported combined ending fund balance of \$11,787,792, an increase of \$1,589,334. This increase is mostly attributable to positive variances in the general fund revenues and expenditures.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,868,983 or 32 percent of total fund expenditures.
- The County had \$20,069,715 in notes and leases outstanding versus \$19,763,435 last year. This increase was the result of a new capital lease of \$923,021 less payments on principal of \$616,741.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Jasper County's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the County that are supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, finance, public works, sanitation, emergency services, codes and law enforcement, courts, economic development, health, education and welfare, and parks, recreation and tourism. The County currently has no business type activities.

The government-wide financial statements can be found on pages 20-21 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into these two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governments for which similar information is presented for the governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service fund, economic development fund and the capital projects fund that are considered to be major funds. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 22-25 of this report,

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the County's own programs. All of the fiduciary funds are agency funds – assets equal liabilities. The basic fiduciary fund financial statement can be found on page 26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-47 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 51-53 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Jasper County, assets exceeded liabilities by \$20,848,827 at the close of the most recent fiscal year. The following table reflects the condensed governmental-wide statement of net position.

JASPER COUNTY, SOUTH CAROLINA NET POSITION		
	2013	2012
Current and Other Assets		
Cash and Other Assets	\$ 15,301,083	\$ 17,101,302
Capital Assets	32,512,955	31,804,187
Total Assets	<u>47,814,038</u>	<u>48,905,489</u>
Long-term Liabilities Outstanding	24,277,178	24,019,984
Other Liabilities	2,688,033	3,088,811
Total Liabilities	<u>26,965,211</u>	<u>27,108,795</u>
Net Position		
Investment in Capital Assets, Net of Related Debt	13,182,845	12,827,924
Restricted	1,883,628	1,750,065
Unrestricted	5,782,354	7,218,705
Total Net Position	<u>\$ 20,848,827</u>	<u>\$ 21,796,694</u>

At the end of the current fiscal year, Jasper County is able to report positive balances in all categories of net position.

By far the largest portion of the County's net position \$13,182,845 (63 percent) reflects its investment in capital assets (e.g. land, construction in progress, building and improvements, machinery and equipment, vehicles, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position of \$1,883,628 (9 percent) represents the balance of net position that have restricted resources and are not available to fund other commitments. The restricted net position relate to capital projects underway, debt service accounts, tourist related projects, and other revenue sources that are earmarked for specific County functions.

The balance of unrestricted net position, \$5,782,354 (28 percent), may be used to meet the County's ongoing obligations to citizens and creditors.

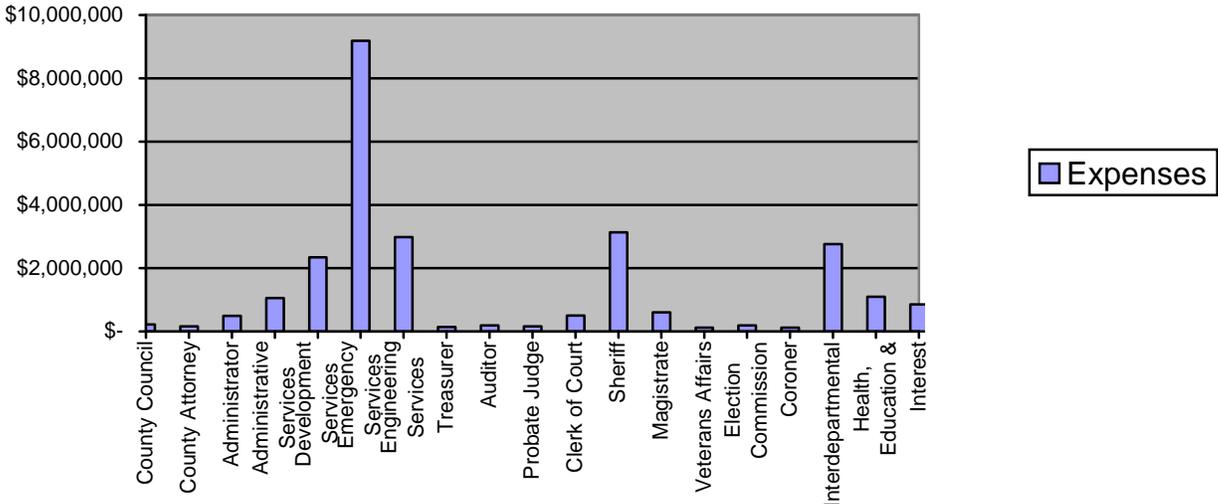
Governmental activities. The County's total net position increased by \$685,990 in 2013 compared to an increase of \$932,574 in 2012. Key elements of this increase are as shown in the following table.

JASPER COUNTY, SOUTH CAROLINA CHANGE IN NET POSITION		
	Governmental Activities	
	2013	2012
Revenues:		
Program Revenues:		
Charges for Services	\$ 2,970,118	\$ 2,879,177
Operating Grants and Contributions	1,887,385	1,657,806
Capital Grants and Contributions	1,046,722	367,661
General Revenues:		
Property Taxes	16,574,242	16,720,295
Other Taxes	3,045,421	3,065,581
Grants and Contributions not restricted to specific programs	1,329,591	771,748
Other	148,321	472,703
Total Revenues	<u>27,001,800</u>	<u>25,934,971</u>
Expenses:		
County Council	221,822	234,265
County Attorney	159,124	158,007
Administrator	492,938	467,475
Administrative Services	1,051,409	1,106,474
Development Services	2,344,972	1,566,414
Emergency Services	9,182,801	8,705,536
Engineering Services	2,985,205	3,037,772
Treasurer	138,367	145,052
Auditor	194,914	180,416
Probate Judge	161,568	134,651
Clerk of Courts	501,636	492,783
Sheriff	3,137,831	3,313,855
Magistrate	603,207	601,129
Veterans Affairs	117,868	113,401
Election Commission	189,724	229,723
Coroner	122,938	153,135
Interdepartmental	2,764,471	2,473,011
Health, Education and Welfare	1,094,773	1,122,440
Interest Expense	850,242	766,858
Total Expenses	<u>26,315,810</u>	<u>25,002,397</u>
Change in net position	685,990	932,574
Net position - beginning	21,796,694	20,864,120
Prior Period Adjustment	(1,633,857)	-
Net position - ending	<u>\$ 20,848,827</u>	<u>\$ 21,796,694</u>

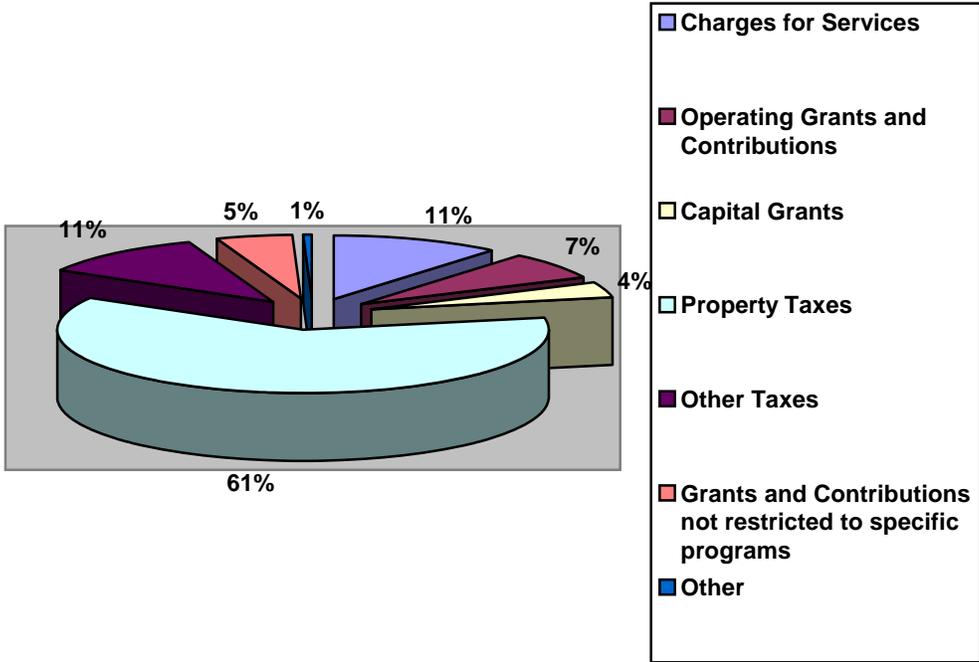
Total revenues were up \$1,066,829 of which \$679,061 related to an increase in capital grants.

Expenses increased \$1,313,413. Expenses were up \$778,558 in engineering service due to construction of a sewer line that was paid for by the County but given to the City to operate. GASB Statement No. 45 resulted in an accrual of \$892,232 to reflect the future liability of the County for retiree benefits. The prior period adjustment was to write off bond issue costs.

Expenses – Governmental Activities



Revenues by Source – Governmental Activities



Financial Analysis of the Government's Funds

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Jasper County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,787,792, an increase of \$1,589,334 in comparison with an increase of \$2,845,538 for the prior year.

The fund balance of the County's General Fund increased by \$1,719,390 during the current fiscal year. Key factors of this increase are as follows:

- Overall County revenues were over budget by \$976,109. This positive variance can be explained as follows:
 - Taxes were over budget \$982,453 despite a property tax decrease of 2 mills. This is attributable to a higher than expected assessed value.
- Overall expenditures were under budget by \$748,899. This positive variance can be explained as follows:
 - Detention Center costs were under budget \$364,482.
 - Interdepartmental costs were under budget \$314,471.

The capital projects fund has a total fund balance of \$455,066 which is committed for the renovation of the Health Department building, jail improvements, and vehicle replacement.

General Fund Budgetary Highlights

During the budget year, the County Administrator can exercise his authority to transfer budgets up to \$5,000 between departments as long as the total budget of the County remains intact. County Council has the authority to amend the budget as required. During the current fiscal year, County Council did not approve any supplemental budget increases or reductions. There were positive variances in both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental type activities as of June 30, 2013 amounts to \$32,512,955 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, vehicles, and infrastructure.

Major capital asset events during the current year include the following:

Fire Station - Fire Tower Road	\$	257,444
Heavy Equipment		1,238,021
Storm Water Drainage		820,865
Knowles Island Fishing Pier		155,064
Vehicles		202,523
Total Capital Outlay	<u>\$</u>	<u>2,673,917</u>

Additional information on the County's capital assets can be found in note 5 on page 36 of this report.

Long-term Obligations. At the end of the current fiscal year, the County had total long-term obligations outstanding of \$25,257,502. The County's total long-debt increased by \$1,237,518 (5.0 percent) during the current fiscal year. Bank loans were paid as scheduled. Post employment benefits increased by \$892,232. Also, a capital lease of \$923,021 was added for the purchase of heavy equipment. Changes in outstanding debt are summarized below. See Note 8 page 38 for additional information.

JASPER COUNTY, SOUTH CAROLINA OUTSTANDING DEBT

	Governmental Activities	
	2013	2012
Bank loans	\$ 940,744	\$ 1,119,824
Capital Leases	820,657	-
General obligation bonds	4,500,000	4,500,000
Bond anticipation notes	1,245,000	1,200,000
Revenue bond	12,835,000	13,225,000
Compensated absences	875,375	836,369
Other post employment benefits	4,312,412	3,420,180
Sub-total	<u>25,529,188</u>	<u>24,301,373</u>
Less deferred amounts	(271,686)	(281,389)
Total	<u>\$ 25,257,502</u>	<u>\$ 24,019,984</u>

State statutes limit the amount of general obligation debt a governmental entity may issue, without a referendum, to 8 percent of its total assessed valuation. The current debt limitation for the County is \$9,521,598. There is \$4,500,000 of general obligation debt issued on November 1, 2011 to offset this limit for a legal debt margin of \$5,021,598.

Additional information on the County's long-term debt can be found in note 8 on page 38 of this report.

Economic Factors and Next Year's Budgets and Rates

- Unemployment as of June stands at 8.1 percent versus 8.9 percent a year ago. In comparison, the state's unemployment rate is 8.1 percent and the national rate is 8.2 percent as of June 2012. Jasper County is ranked 14th out of 46 counties in the state.
- Inflationary trends in the region compare favorably to national indexes.
- The assessed valuation for the 2012 tax year decreased from \$125,856,571 to \$119,019,970 due to reassessment.

All of these factors were considered in preparing the County's budget for the 2013 fiscal year.

During the current fiscal year, unassigned fund balance in the general fund increased to \$6,868,983. The County set millage for the 2014 budget year at 142, which is a decrease of 1 mill. Budgeted expenditures for 2014 are projected to decrease .6 percent to \$21,712,201 from \$21,838,592 in 2013. Also, the County has budgeted 12 mills for the debt service fund to retire the bonds.

Requests for Information

This financial report is designed to provide a general overview of Jasper County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Jasper County, P.O. Box 1149, Ridgeland, South Carolina, 29936.

BASIC FINANCIAL STATEMENTS

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2013**

		GOVERNMENTAL ACTIVITIES
<hr/>		
ASSETS		
Cash	\$	7,623,158
Receivables		3,012,659
Lease Receivable		739,605
Restricted Cash		1,826,607
Notes Receivable		217,380
Property Held for Resale		1,704,340
Prepaid Insurance		177,334
Capital Assets not being depreciated		
Land		2,534,470
Construction in Progress		303,579
Capital Assets being depreciated		
Buildings and Improvements		21,041,341
Machinery and Equipment		2,393,988
Vehicles		1,329,565
Infrastructure		4,910,012
Total Assets		<u>47,814,038</u>
 LIABILITIES		
Accounts Payable		924,204
Salaries and Benefits Payable		377,248
Unearned Revenue		199,750
Accrued Interest		206,507
Noncurrent Liabilities		
Due within one year		980,324
Due in more than one year		24,277,178
Total Liabilities		<u>26,965,211</u>
 NET POSITION		
Invested in Capital Assets, net of related debt		13,182,845
Restricted for:		
Courts Administration		350,682
Debt Service		530,482
Tourist related expenditures		427,277
E911 expenditures		575,187
Unrestricted		5,782,354
Total Net Position	\$	<u>20,848,827</u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Functions/Programs</u>	<u>EXPENSES</u>	<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>	<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
					<u>TOTAL GOVERNMENTAL ACTIVITIES</u>
Governmental Activities					
County Council	\$ 221,822	\$ -	\$ -	\$ -	\$ (221,822)
County Attorney	159,124	-	-	-	(159,124)
Administrator	492,938	-	-	-	(492,938)
Administrative Services	1,051,409	348,195	-	-	(703,214)
Development Services	2,344,972	718,872	1,011,855	1,046,722	432,477
Emergency Services	9,182,801	952,994	114,044	-	(8,115,763)
Engineering Services	2,985,205	501,636	529,042	-	(1,954,527)
Treasurer	138,367	-	-	-	(138,367)
Auditor	194,914	-	-	-	(194,914)
Probate Judge	161,568	24,978	-	-	(136,590)
Clerk of Court	501,636	94,042	72,579	-	(335,015)
Sheriff	3,137,831	49,923	102,490	-	(2,985,418)
Magistrate	603,207	275,686	-	-	(327,521)
Veterans Affairs	117,868	-	4,467	-	(113,401)
Election Commission	189,724	-	52,908	-	(136,816)
Coroner	122,938	-	-	-	(122,938)
Interdepartmental	2,764,471	-	-	-	(2,764,471)
Health, Education and Welfare	1,094,773	3,792	-	-	(1,090,981)
Interest	850,242	-	-	-	(850,242)
Total Governmental Activities	<u>\$ 26,315,810</u>	<u>\$ 2,970,118</u>	<u>\$ 1,887,385</u>	<u>\$ 1,046,722</u>	<u>(20,411,585)</u>
General Revenues					
Property Taxes					16,574,242
Local Option Sales Taxes					2,569,577
Franchise Taxes					57,479
Accommodation and Hospitality Taxes					418,365
Grants and contributions not restricted to specific programs					1,329,591
Earnings on investments					28,465
Miscellaneous					112,498
Gain on Disposal of Capital Assets					7,358
Total General Revenues, Special Items and Transfers					<u>21,097,575</u>
Change in net assets					685,990
Net position, beginning					21,796,694
Prior Period Adjustment					(1,633,857)
Net position, ending					<u>\$ 20,848,827</u>

**JASPER COUNTY, SOUTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013**

ASSETS	GENERAL	DEBT SERVICE	ECONOMIC DEVELOPMENT	CAPITAL PROJECTS	TOTAL NONMAJOR FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash	\$ 6,435,715	\$ -	\$ 639,315	\$ 482,110	\$ 66,018	\$ 7,623,158
Receivables - net	2,631,714	108,242	-	-	272,703	3,012,659
Restricted Cash	350,682	505,481	-	-	970,444	1,826,607
Interfund Receivables	-	-	183,179	-	-	183,179
Notes Receivable	-	-	217,380	-	-	217,380
Property Held for Resale	-	-	1,704,340	-	-	1,704,340
Total Assets	<u>\$ 9,418,111</u>	<u>\$ 613,723</u>	<u>\$ 2,744,214</u>	<u>\$ 482,110</u>	<u>\$ 1,309,165</u>	<u>\$ 14,567,323</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 809,289	\$ -	\$ 30,975	\$ 27,044	\$ 56,896	\$ 924,204
Salaries and Benefits Payable	377,248	-	-	-	-	377,248
Unearned Revenue	-	-	192,227	-	7,523	199,750
Interfund Payables	-	-	-	-	183,179	183,179
Total Liabilities	<u>1,186,537</u>	<u>-</u>	<u>223,202</u>	<u>27,044</u>	<u>247,598</u>	<u>1,684,381</u>
Deferred Inflows of Resources						
Unavailable Revenues-Service Charges	46,327	-	-	-	-	46,327
Unavailable Revenues-Property Taxes	965,582	83,241	-	-	-	1,048,823
Total Deferred Inflows of Resources	<u>1,011,909</u>	<u>83,241</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,095,150</u>
Fund Balances						
Assigned	-	-	599,292	-	-	599,292
Nonspendable	-	-	1,921,720	-	-	1,921,720
Restricted	350,682	530,482	-	-	1,061,567	1,942,731
Committed	-	-	-	455,066	-	455,066
Unassigned	6,868,983	-	-	-	-	6,868,983
Total Fund Balances	<u>7,219,665</u>	<u>530,482</u>	<u>2,521,012</u>	<u>455,066</u>	<u>1,061,567</u>	<u>11,787,792</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 9,418,111</u>	<u>\$ 613,723</u>	<u>\$ 2,744,214</u>	<u>\$ 482,110</u>	<u>\$ 1,309,165</u>	<u>\$ 14,567,323</u>

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013**

Total net position reported for governmental activities in the statement of net position is different because:

Total fund balances for governmental funds		\$ 11,787,792
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land and Improvements	2,534,470	
Construction in Progress	303,579	
Buildings and Improvements, net of \$4,853,167 accumulated depreciation	21,041,334	
Machinery and Equipment, net of \$2,679,730 accumulated depreciation	2,393,995	
Vehicles, net of \$4,023,266 accumulated depreciation	1,329,565	
Infrastructure, net of \$1,260,061 accumulated depreciation	<u>4,910,012</u>	
Total Capital Assets		32,512,955

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		1,095,150
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Receivables under a leasing arrangement that will be received over a period of years that are not reported in the funds.		739,605
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Prepaid insurance costs that are amortized over a period of years that are reported as expenditures in the funds.		177,334
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Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities --both current and long-term--are reported in the statement of net position. Balances at June 30, 2013 are:

Accrued Interest Payable	(206,507)	
Post Retirement Benefits Payable	(4,312,412)	
Bonds, Notes and Leases Payable	(20,069,715)	
Compensated Absences	<u>(875,375)</u>	
Total Long-Term Liabilities		<u>(25,464,009)</u>

Total net position of governmental activities		<u><u>\$ 20,848,827</u></u>
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JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>ECONOMIC DEVELOPMENT</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL NONMAJOR FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES						
Taxes	\$ 18,199,220	\$ 1,275,995	\$ -	\$ -	\$ 308,506	\$ 19,783,721
Fines, Fees and Licenses	2,642,430	-	51,346	-	357,269	3,051,045
Intergovernmental	1,274,524	-	-	-	1,854,989	3,129,513
Miscellaneous	390,525	44,030	1,071,691	356,953	26,757	1,889,956
Total Revenue	<u>22,506,699</u>	<u>1,320,025</u>	<u>1,123,037</u>	<u>356,953</u>	<u>2,547,521</u>	<u>27,854,235</u>
EXPENDITURES						
Current:						
County Council	226,120	-	-	-	-	226,120
County Attorney	156,359	-	-	-	-	156,359
Administrator	486,419	-	-	-	-	486,419
Administrative Services	1,046,490	-	-	-	-	1,046,490
Development Services	768,557	-	419,741	-	1,101,625	2,289,923
Emergency Services	8,598,026	-	-	71,732	109,492	8,779,250
Engineering Services	2,142,976	-	-	47,179	542,952	2,733,107
Treasurer	138,095	-	-	-	-	138,095
Auditor	181,065	-	-	-	-	181,065
Probate Judge	161,568	-	-	-	-	161,568
Clerk of Court	518,360	-	-	-	-	518,360
Sheriff	2,830,423	-	-	-	204,041	3,034,464
Magistrate	602,265	-	-	-	-	602,265
Veterans Affairs	114,010	-	-	-	-	114,010
Election Commission	161,787	-	-	-	-	161,787
Coroner	121,620	-	-	-	-	121,620
Interdepartmental	1,179,957	-	-	-	-	1,179,957
Health, Education and Welfare	1,094,773	-	-	-	-	1,094,773
Debt Service:						
Principal	233,885	390,000	-	-	-	623,885
Interest	9,588	840,193	-	22,500	-	872,281
Capital Outlay:						
Development Services	-	-	820,865	-	183,199	1,004,064
Emergency Services	9,072	-	-	257,444	-	266,516
Engineering Services	-	-	-	1,238,021	-	1,238,021
Sheriff	188,278	-	-	-	14,245	202,523
Total Expenditures	<u>20,969,693</u>	<u>1,230,193</u>	<u>1,240,606</u>	<u>1,636,876</u>	<u>2,155,554</u>	<u>27,232,922</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,537,006</u>	<u>89,832</u>	<u>(117,569)</u>	<u>(1,279,923)</u>	<u>391,967</u>	<u>621,313</u>
OTHER FINANCING SOURCES (USES)						
Issuance of Debt	-	-	-	2,168,021	-	2,168,021
Refunding of BANs	-	-	-	(1,200,000)	-	(1,200,000)
Transfers In	263,000	-	-	-	80,616	343,616
Transfers Out	(80,616)	-	-	-	(263,000)	(343,616)
Total Other Financing Sources (Uses)	<u>182,384</u>	<u>-</u>	<u>-</u>	<u>968,021</u>	<u>(182,384)</u>	<u>968,021</u>
Net change in fund balances	1,719,390	89,832	(117,569)	(311,902)	209,583	1,589,334
Fund balances, beginning	5,500,275	440,650	2,638,581	766,968	851,984	10,198,458
Fund balances, ending	<u>\$ 7,219,665</u>	<u>\$ 530,482</u>	<u>\$ 2,521,012</u>	<u>\$ 455,066</u>	<u>\$ 1,061,567</u>	<u>\$ 11,787,792</u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013**

The change in net position reported for governmental activities in the statement of activities is different because:

Net change in fund balances -- total governmental funds	\$ 1,589,334
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$2,711,124) was more than depreciation (\$1,365,860) in the current period.	1,345,264
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The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is a decrease in net position.	(636,496)
--	-----------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are as follows:

Repayment of Principal	1,823,885
Issuance of bonds	(2,168,021)
Amortization of Prepaid Insurance on Bonds	(6,333)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(358,777)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Other Post Employment Benefits	(892,232)
Compensated Absences	(39,006)
Accrued Interest, Premiums, and Discounts	28,372

Total change in net position of governmental activities	\$ 685,990
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**JASPER COUNTY, SOUTH CAROLINA
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013**

	Agency Funds
ASSETS	
Cash	\$ 7,407,813
Total Assets	<u>7,407,813</u>
LIABILITIES	
Due to Others	7,407,813
Total Liabilities	<u>\$ 7,407,813</u>

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of inter-fund activity has been removed from these statements. *Governmental* activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

Jasper County, South Carolina (the "County") is a political subdivision of the State of South Carolina, operating under the Council-Administrator form of government to provide services authorized by its charter. It is governed by an elected Board (the "Council"), which is governed by state statutes and regulations. In addition to the members of the Council, there are two elected Constitutional Officers: Treasurer and Auditor.

The accompanying financial statements present the combined financial positions and combined results of operations of the various fund types controlled by the Council and its Constitutional Officers.

The Council funds all of the operating budgets of the County's Constitutional Officers. The County Council acts as the governing body of the County with power to pass ordinances and adopt resolutions. The accompanying financial statements present the government and its component units, entities for which the government is considered financial accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The County is not reporting any component units as described above.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Jasper County reports only governmental activities, as there are no business-type activities or component units.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The government reports the following major governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *economic development fund* accounts for the resources accumulated and payments made for economic development of the County.

The *capital projects fund* accounts for the resources accumulated and payments made for specific major capital projects.

The *debt service fund* accounts for the resources accumulated and payments made for debt payments.

Additionally, the government reports the following fund types:

The *agency fund* is used to account for resources held by the County in a trustee capacity for the Jasper County schools and for amounts held by other departments for others.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds. While these balances are reported in fund financial statements, certain eliminations are made in the presentation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. The County has no enterprise funds.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in the governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within the first 60 days of the end of the current fiscal period, except for grant reimbursements for which the availability period is 60 days. Expenditures generally are recorded when a liability is incurred as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuances of long-term debt and for acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenues source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. An annual budget for the special revenue fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the capital projects fund is not adopted as its revenues and expenditures are adopted on a project basis. All annual appropriations lapse at fiscal year-end.

The appropriated budget is prepared by fund, function, and department. The government's departmental heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The Council may make several supplemental budgetary appropriations throughout the year, however, there were no supplemental budgetary appropriations made in the general fund during the year.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for good and services (i.e., purchase order, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under executor contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The County is authorized by state statute to invest in the following:

Obligations of the United States, its agencies and instrumentalities;

Obligations of the State of South Carolina or any of its political subdivisions;

Savings and Loan Associations to the extent that the same are insured by an agency of the federal government;

Certificates of deposit and repurchase agreements provided the collateral is of the types described in 1 and 2 above and has a market value in excess of the certificate of deposit or repurchase agreement plus accrued interest, and is held by a third party as escrow agent or custodian;

Repurchase agreements when collateralized by securities of the type described in 1 and 2 above and held by a third party as escrow agent or custodian, of a market value not less than the amount of the repurchase agreement so collateralized, including interest;

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond debt issue of the County if the particular portfolio of the investment company or investment trust in which the investment is made (1) is limited to obligations described above and (2) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

A single central depository holds most operating cash. Each fund owns a pro-rata interest in the cash held by the depository. Interest income is allocated to the creditor funds based on average cash balances. Investments are stated at fair value.

Inventories

Inventories of the general fund consist of supplies held for consumption and are immaterial to the financial statements and accordingly are not recorded.

Capital Assets

Capital assets, which include property and equipment and infrastructure assets (e.g. roads, lighting, and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the government as property and equipment with an initial, individual cost of more than \$5,000 and infrastructure assets with an initial, individual cost of more than \$100,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Infrastructure	20 to 50
Vehicles and Equipment	5 to 20

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and charges for services. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing council has by resolution authorized the administrator to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Property Taxes

The County Ordinance provides for the taxation of all real and personal property located within the County limits on the first day of January. Motor vehicle taxes are billed and collected by the County Treasurer on a monthly basis. Other personal and real property taxes are levied by the County in October of each year and become due and payable immediately upon receipt by the taxpayer. Real property taxes are delinquent after January 15th with penalties assessed of 3% if paid after January 15th, 10% if paid after January 31st, and 15% if paid after March 15th. Assessed property is subject to lien one year from the levy date if taxes remain unpaid. The property tax rate approved by ordinance for fiscal year 2013 is 143 mills with an additional 12 mills for the County debt service fund.

Compensated absences

Vacation - The County's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Sick Leave - Accumulated sick leave lapses when employees leave the employ of the County and, upon separation from service, no monetary obligation exists.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 DEPOSITS AND INVESTMENTS

As of June 30, 2013, the County had the following cash and investments that are included in governmental funds of \$9,449,826 and the agency fund cash of \$7,407,813.

<u>Investment</u>	<u>Maturity</u>	<u>Book Balance</u>	<u>Bank Balance</u>
Repurchase Agreement			
* Pooled Cash Account	Daily	\$ 440,604	\$ 758,657
Certificates of Deposit	12 months or less	6,004,199	6,004,199
US Government Securities (First American Treasury Obligation)	Daily	493,246	493,246
<u>Cash</u>			
Checking Accounts		9,919,190	10,215,408
Change Funds		400	-
Total Deposits and Investments		<u>\$ 16,857,639</u>	<u>\$ 17,471,510</u>

* Account is swept daily. \$120,000 is ordinarily left in account and excess is placed in government securities under a repurchase agreement. Balance of repurchase agreement at June 30, 2013 is \$638,657.

Credit Risk – The County does not have an investment policy but follows state guidelines for investments. The investments of the County include a repurchase agreement invested in government treasury obligations and construction funds invested in short-term government securities, which mature daily.

Interest Rate Risk – The County does not have an investment policy. Maturities on repurchase agreements are from 1 to 5 days. Maturities on certificate of deposits are 12 months or less. U.S. Government securities are highly liquid treasury notes.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$1,000,000 of the County's bank balance was insured by the FDIC and the balance was covered by collateral.

Uninsured and collateral held by third party bank trust department not in the County's name	<u>\$ 14,923,389</u>
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**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 3 RECEIVABLES

Receivables at June 30, 2013, including the applicable allowances for uncollectible accounts, are as follows for the fund and government-wide financial statements.

<u>Receivables</u>	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Taxes	\$ 4,873,907	\$ 180,402	\$ -	\$ 5,054,309
Fines and Fees	682,889	-	-	682,889
Intergovernmental	204,532	-	232,177	436,709
Other	66,468	-	40,526	106,994
Gross receivables	5,827,796	180,402	272,703	6,280,901
Allowance for uncollectible accounts	(3,196,082)	(72,160)	-	(3,268,242)
Net total receivables	<u>\$ 2,631,714</u>	<u>\$ 108,242</u>	<u>\$ 272,703</u>	<u>\$ 3,012,659</u>

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Government funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue reported in the government funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Grant drawdowns prior to meeting all eligibility requirements	\$ -	\$ 7,523
Special purpose drawdown not yet spent	-	192,227
Charges for services unavailable in current period	46,327	-
Property taxes not collected within 60 days	1,048,823	-
Total	<u>\$ 1,095,150</u>	<u>\$ 199,750</u>

Notes Receivable

The County has a note receivable from a local manufacturer for \$400,000. The terms of the note call for forty quarterly payments of \$11,895 including interest at 3.5% beginning September 2008. The balance at June 30, 2013 is \$217,380.

Receivables

The County entered into an agreement with the Lowcountry Council of Governments (LCOG) to borrow \$900,000 on behalf of LCOG. LCOG leased their facilities to the County who in turn leased it back to LCOG for an amount equal to the payments on the bank loan. The balance of the lease at June 30, 2013 is \$739,605. The amortization of lease receivable is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 49,888	\$ 34,341	\$ 84,229
2015	52,330	31,899	84,229
2016	54,893	29,336	84,229
2017	57,581	26,648	84,229
2018	60,400	23,829	84,229
2019-2023	349,369	71,776	421,145
2024-2026	115,144	4,180	119,324
Total	<u>\$ 739,605</u>	<u>\$ 222,009</u>	<u>\$ 961,614</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 4 CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2013 was as follows:

<u>Governmental Activities</u>	<u>June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>
<i>Capital assets not being depreciated</i>				
Land and improvements	\$ 2,534,470	\$ -	\$ -	\$ 2,534,470
Construction in progress	299,833	285,579	281,833	303,579
Total capital assets, not being depreciated	<u>2,834,303</u>	<u>285,579</u>	<u>281,833</u>	<u>2,838,049</u>
Capital assets being depreciated				
Buildings and improvements	26,265,832	-	371,331	25,894,501
Machinery and equipment	5,203,999	1,247,093	1,377,367	5,073,725
Vehicles	5,275,932	202,523	125,624	5,352,831
Infrastructure	4,912,311	1,257,762	-	6,170,073
Total capital assets being depreciated	<u>41,658,074</u>	<u>2,707,378</u>	<u>1,874,322</u>	<u>42,491,130</u>
Less accumulated depreciation for:				
Buildings and improvements	4,577,438	504,222	228,493	4,853,167
Machinery and equipment	3,198,861	373,414	892,545	2,679,730
Vehicles	3,786,685	353,369	116,788	4,023,266
Infrastructure	1,125,206	134,855	-	1,260,061
Total accumulated depreciation	<u>12,688,190</u>	<u>1,365,860</u>	<u>1,237,826</u>	<u>12,816,224</u>
Total capital assets being depreciated, net	<u>28,969,884</u>	<u>1,341,518</u>	<u>636,496</u>	<u>29,674,906</u>
Governmental activities capital assets, net	<u>\$ 31,804,187</u>	<u>\$ 1,627,097</u>	<u>\$ 918,329</u>	<u>\$ 32,512,955</u>

Construction in progress consists of work on a new fire station and health department.

Depreciation expense was charged to functions/programs of the primary government as follows:

<u>Governmental Activities</u>	
Administrative Services	\$ 4,072
Development Services	49,128
Emergency Services	386,059
Engineering Services	238,309
Clerk of Court	345
Sheriff	106,919
Parks, Recreation, and Tourism	5,080
Election Commission	26,504
Interdepartmental	549,444
Total depreciation expense - governmental activities	<u>\$ 1,365,860</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2013 is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Economic Development	Nonmajor Governmental Funds	\$ 183,179
Total		<u>\$ 183,179</u>

The \$183,179 due to the economic fund from the nonmajor governmental funds represents shortfalls of cash in the nonmajor governmental funds.

Interfund Transfers

Interfund balances must generally be eliminated in the government-wide financial statements, except for the net residual amounts due between governmental activities. Amounts involving fiduciary funds should be reported as external transactions. Any allocations must reduce the expense of the function from which the expenses are being allocated, so that expenses are reported only once – in the function in which they are allocated. No amounts were reported in the government-wide financial statements, as the amount did not involve the transfers of financial resources.

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund / Nonmajor E-911 Reimburse E-911 expenses	\$ 120,000	\$ 120,000
General Fund / Nonmajor A-Tax, H-Tax For payment on road construction note	143,000	143,000
Nonmajor State A-Tax / General fund State A-Tax receipts	<u>80,616</u>	<u>80,616</u>
	<u>\$ 343,616</u>	<u>\$ 343,616</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2013.

	<u>June 30, 2012</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2013</u>	<u>Due Within One Year</u>
Bank loans	\$ 1,119,824	\$ -	\$ 179,080	\$ 940,744	\$ 185,324
Capital Leases	-	923,021	102,364	820,657	85,000
General obligation bond	4,500,000	-	-	4,500,000	-
Revenue bonds	1,310,000	-	390,000	920,000	410,000
Revenue bonds	11,915,000	-	-	11,915,000	-
Plus amounts for bonds issued at a premium	98,268	-	3,389	94,879	-
Less amounts for bonds issued at a discount	(379,657)	-	(13,092)	(366,565)	-
Bond anticipation notes	1,200,000	1,245,000	1,200,000	1,245,000	-
Sub-total debt	19,763,435	2,168,021	1,861,741	20,069,715	680,324
Compensated absences	836,369	311,618	272,612	875,375	300,000
Other post-employment benefits	3,420,180	1,163,426	271,194	4,312,412	-
Total	<u>\$ 24,019,984</u>	<u>\$ 3,643,065</u>	<u>\$ 2,405,547</u>	<u>\$ 25,257,502</u>	<u>\$ 980,324</u>

Long-term debt payable at June 30, 2013 is comprised of the following issues:

Bank Loans Payable

	<u>Balance</u>
\$1,200,000 loan for construction of the Greenway Park Road payable in twenty semi-annual payments of \$70,555 including interest at 3.19%.	\$ 201,139
\$900,000 loan for Lowcountry Council of Governments in a lease-leaseback arrangement payable in 180 monthly installments of \$7,019 including interest at 4.79%	739,605
	<u>\$ 940,744</u>

The annual requirements to amortize the debt at June 30, 2013 is as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 185,325	\$ 40,013	\$ 225,338
2015	118,032	34,260	152,292
2016	54,893	29,336	84,229
2017	57,581	26,648	84,229
2018	60,400	23,829	84,229
2019-2023	349,370	71,775	421,145
2024-2025	115,143	4,180	119,323
Total	<u>\$ 940,744</u>	<u>\$ 230,041</u>	<u>\$ 1,170,785</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

General Obligation Bond

\$4,500,000 General Obligation for retirement of a portion of the Bond Anticipation Notes which were used for construction of the Court House.

<u>Balance</u>
\$ 4,500,000
<u>\$ 4,500,000</u>

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 225,063	\$ 225,063
2015	-	225,063	225,063
2016	-	225,063	225,063
2017	30,000	225,063	255,063
2018	30,000	222,963	252,963
2019-2023	185,000	1,085,875	1,270,875
2024-2028	215,000	1,042,105	1,257,105
2029-2033	270,000	967,440	1,237,440
2034-2038	1,485,000	843,740	2,328,740
2039-2041	2,285,000	221,114	2,506,114
Total	<u>\$ 4,500,000</u>	<u>\$ 5,283,489</u>	<u>\$ 9,783,489</u>

Revenue Bond

The County issued installment purchase revenue bonds Series 2011A in the amount of \$11,915,000 to pay off the Bond Anticipation notes which were used for construction of the County office building.

<u>Balance</u>
\$ 11,915,000
<u>\$ 11,915,000</u>

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 588,931	\$ 588,931
2015	-	588,931	588,931
2016	55,000	588,931	643,931
2017	240,000	587,694	827,694
2018	270,000	578,094	848,094
2019-2023	1,515,000	2,720,269	4,235,269
2024-2028	1,915,000	2,355,719	4,270,719
2029-2033	2,475,000	1,825,075	4,300,075
2034-2038	2,065,000	1,134,000	3,199,000
2039-2043	2,300,000	789,075	3,089,075
2044	1,080,000	56,700	1,136,700
Total	<u>\$ 11,915,000</u>	<u>\$ 11,813,419</u>	<u>\$ 23,728,419</u>

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Revenue Bond

Balance

The County issued installment purchase revenue bonds Series 2011B in the amount of \$1,800,000. The proceeds were used to pay off equipment leases.

\$ 920,000
\$ 920,000

The annual requirements to amortize the bonds are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 410,000	\$ 18,400	\$ 428,400
2015	510,000	10,200	520,200
Total	<u>\$ 920,000</u>	<u>\$ 28,600</u>	<u>\$ 948,600</u>

Bond Anticipation Notes

The County issued a Bond Anticipation Note dated November 1, 2011 to pay a portion of the old bonds outstanding and to provide funds for capital projects. The bonds will be payable interest only until 2014 and then be amortized as follows at 1.875%:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ -	\$ 36,000	\$ 36,000
2015	270,000	33,274	303,274
2016	80,000	26,649	106,649
2017	36,000	23,474	59,474
2018	31,000	22,514	53,514
2019-2023	180,000	105,311	285,311
2024-2028	200,000	60,967	260,967
2029-2033	180,000	39,569	219,569
2034-2038	100,000	26,240	126,240
2039-2043	168,000	17,140	185,140
Total	<u>\$ 1,245,000</u>	<u>\$ 391,138</u>	<u>\$ 1,636,138</u>

Capital Leases

Balance

\$923,021 capital leases for purchase of John Deere heavy equipment costing \$1,238,021 with accumulated depreciation of \$121,824.

\$ 820,657
\$ 820,657

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

The annual requirements to amortize the capital leases are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 85,000
2015	85,000
2016	85,000
2017	85,000
2018	<u>561,000</u>
Sub-Total	901,000
Less amount representing interest	<u>(80,343)</u>
Total	<u><u>\$ 820,657</u></u>

Debt Service Fund

A Debt Service Fund has been established to collect millage for the payments on the bonds. At June 30, 2013 there was \$180,000 in a debt service reserve account. Also, \$325,481 is on hand toward the interest and principal on the bonds. The current budget for 2013-2014 includes 12 mils for the payment of debt service.

Commitments Under Noncapitalized Leases

The County has operating leases on two garbage trucks. Lease payments are \$2,550 per month plus \$0.074 per mile on each truck.

Compensated Absences

Unused vacation leave liabilities are reported in the applicable governmental type activities columns in the government-wide financial statements. The County enacted a new policy regarding compensated vacation days in 1993. At that time, all unused vacation hours were "banked." Each employee is to receive appropriate vacation hours based on tenure at the beginning of the year. The only hours the employees will be allowed to carry over each calendar year are the "banked" hours until they are used up. No accumulation of paid days off will be allowed in the future. The County has no financial liability for its unused sick leave. Compensated absences are paid from the general fund. The accrued compensated absences at June 30, 2013 are \$875,375 and include 17% for employee benefits and are included in long-term liabilities.

Other Post Employment Benefits

Plan Description – County employees who participate in the County's health insurance plan and who retire from County service in accordance with the South Carolina Retirement System may have their health insurance continued. The plan is a single-employer plan that covers the current and former employees, including beneficiaries, of only one employer.

Service Retirees and employees enrolled in the health plan on or before July 20, 2008, who (1) have participated in the County's health insurance plan for ten (10) or more consecutive years; and (2) have met the retirement age; and (3) at the time of retirement are active County employees, will have their health insurance premiums paid by the County. Employees enrolled in the health plan on or after July 21, 2008, and enrolled in the South Carolina Retirement System, at the time of retirement must be employed for twenty-eight (28) years and meet the second and third criteria to qualify for paid health insurance premiums after retirement. Employees enrolled in the health plan on or after July 21, 2008, and enrolled in the Police Officers Retirement System at the time of retirement must be employed for twenty-five (25) years and meet the second and third criteria to qualify for paid health insurance premiums after retirement.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 LONG-TERM OBLIGATIONS - CONTINUED

Funding policy – The contribution requirements of plan members and the County are established and may be amended by the County Council. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by the County Council. For fiscal year ended June 30, 2013, the County contributed \$271,194 to the plan, including \$271,194 for current premiums while no prefunding contributions were made. The premiums are paid from the County general fund.

Annual OPEB Cost and Net OPEB Obligation - The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation:

Annual required contribution	\$	1,095,022
Interest on net OPEB obligation		153,908
Adjustment to ARC		(85,504)
Annual OPEB cost (expense)		1,163,426
Contributions made		(271,194)
Increase in net OPEB obligation		892,232
Net OPEB obligation - beginning of year		3,420,180
Net OPEB obligation - end of year	\$	4,312,412

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013 and the three preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 1,086,193	20.5%	\$ 1,788,053
2011	1,046,996	21.7%	2,607,299
2012	1,063,381	23.5%	3,420,180
2013	1,163,426	23.3%	4,312,412

Funded Status and Funding Progress - As of June 30, 2013, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$10,314,324, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$10,314,324.

The covered payroll (annual payroll of active employees covered by the plan) was \$8,484,728, and the ratio of the UAAL to the covered payroll was 0 percent.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 6 LONG-TERM OBLIGATIONS – CONTINUED

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The occurrences that must be considered include employee turnover, pay increases, disablement, retirement, deaths, and investment income on anticipated plan assets. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions-Projections of benefits for financial reporting purposes are based on the substantive plan (the plan understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2012 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9.5 percent initially, reduced by decrements to an ultimate rate of 4.5 percent after ten years. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets is set equal to the reported market value of assets. The assets are allocated among the divisions based on liabilities value at 4.5 percent. The UAAL is being amortized on an open basis as a level percentage of projected payroll (assumed to increase at 3 percent) required to fully amortize the UAAL over a thirty year period.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
6/30/2008	\$ -	\$ -	\$ -	0.0%	\$ -	0.0%
6/30/2009	-	7,239,895	7,239,895	0.0%	10,685,795	67.8%
6/30/2010	-	7,239,895	7,239,895	0.0%	9,169,334	79.0%
6/30/2011	-	7,342,670	7,342,670	0.0%	9,146,450	80.3%
6/30/2012	-	7,342,670	7,342,670	0.0%	9,224,832	79.7%
6/30/2013	-	10,314,324	10,314,324	0.0%	8,484,728	121.6%

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 7 FUND BALANCES

	<u>General Fund</u>	<u>Economic Development</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Non- Major</u>
Nonspendable					
Property held for resale	\$ -	\$ 1,704,340	\$ -	\$ -	\$ -
Notes receivable	-	217,380	-	-	-
	<u>-</u>	<u>1,921,720</u>	<u>-</u>	<u>-</u>	<u>-</u>
Restricted					
Clerk of Court incentive	345,391	-	-	-	-
Sheriff funds	5,291	-	-	-	66,012
E-911 funds	-	-	-	-	575,187
Accom/Hospitality Tax	-	-	-	-	427,277
Waste Tire	-	-	-	-	(6,909)
Debt payments	-	-	-	530,482	-
	<u>350,682</u>	<u>-</u>	<u>-</u>	<u>530,482</u>	<u>1,061,567</u>
Committed					
Capital projects	-	-	455,066	-	-
	<u>-</u>	<u>-</u>	<u>455,066</u>	<u>-</u>	<u>-</u>
Assigned					
Development Projects	-	569,077	-	-	-
Joint Planning Fund	-	30,215	-	-	-
	<u>-</u>	<u>599,292</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unassigned	<u>6,868,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 7,219,665</u>	<u>\$ 2,521,012</u>	<u>\$ 455,066</u>	<u>\$ 530,482</u>	<u>\$ 1,061,567</u>

Nonmajor Funds

The nonmajor restricted fund balance of \$995,555 included a deficit fund balance of \$6,909 in the Waste Tire Fund as indicated in the supplementary information section Combining Balance Sheet for Nonmajor Governmental Funds. This deficit is expected to be made up from revenues received in the subsequent year.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 8 RETIREMENT PLAN

Plan Description - All permanent employees of the County, except for certain employees involved in law enforcement and fire fighting activities, participate in the South Carolina Retirement System (SCRS). The employees excluded above participate in the South Carolina Police Officers' Retirement System (SCPORS). Both systems are cost sharing multiple-employer defined benefit plans administered by the Retirement Division of the State Budget and Control Board. The SCRS and the SCPORS provide retirement and disability benefits, cost of living adjustments on an ad-hoc basis, life insurance, and survivor benefits to plan members and beneficiaries. Each plan's provisions are established under Title 9 of the S.C. Code of Laws. A Comprehensive Annual Financial Report containing financial statements and required supplementary information for both the SCRS and SCPORS is issued and publicly available on the internet at www.retirement.sc.gov, or by writing the South Carolina Retirement System, P.O. Box 11960, Columbia, SC 29211-1960

Funding Policy

South Carolina Retirement System (SCRS)

The County is required to contribute 9.39 percent which includes 0.15 percent towards group life insurance. The County's contributions for the years ending June 30, 2013, 2012, and 2011 were \$405,811, \$374,148, and \$421,831, respectively, and were equal to the required contributions for each year.

Police Officers Retirement System (PORS)

The County is required to contribute 11.13 percent which includes 0.40 percent towards group life insurance and survivor and disability benefits. The County's contributions for the years ending June 30, 2013, 2012, and 2011 were \$633,988, \$569,616, and \$475,891, respectively, for SCPORS members and were equal to the required contributions for each year.

NOTE 9 EMPLOYEE BENEFIT PLANS

401(K) Plan

Jasper County currently offers substantially all full-time employees the option of participating in a 401(K) plan. The South Carolina Retirement System administers the plan. Under the terms of the plan employees may contribute a minimum of two percent and a maximum of twenty percent of adjusted gross income subject to the limits of Section 401(K) of the Internal Revenue Code. It is the opinion of the County's legal counsel that the government has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Therefore, the assets and liabilities of the 401(K) plan are not reflected in the County's financial statements.

NOTE 10 LANDFILL

The County-owned landfill has not accepted solid waste for many years and has no liability for post closure costs. All amounts included in these statements for landfill cost are related to costs of disposing of solid waste at an independent landfill.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 11 SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The County has several lawsuits against it. Most of this litigation is covered by insurance or settled through subsequent agreements.

The County is a member of the South Carolina Counties Workers' Compensation Trust which is a group that provides workers' compensation self-insurance. Under the terms of the agreement, the members of the trust must pay all of the costs pertaining to claims and administration. Amounts are reflected in workers compensation expenditures.

Pursuant to Section 4-1-175 and 4-29-68 of the South Carolina Code of Laws, the County entered into an agreement with a developer whereby the County issued a \$7,000,000 bond in 2001 and a \$6,000,000 bond in 2003 to further economic development within the County. The County Treasurer pays the developer 40 percent of the fee-in-lieu tax received from the businesses in the park. The County has no financial liability beyond this amount. At June 30, 2013, \$6,250,000 and \$5,300,000 were outstanding.

The Jasper County, South Carolina Special Source Revenue Bond Notes, Series 2005 (Jasper County School Project) special source revenue bonds in the amount of \$11,540,000 were issued to help with the construction of Jasper County Schools. The bonds are to be repaid with the school portion of a fee-in-lieu tax. The County has no liability for repayment of the debt. At June 30, 2013, \$6,045,000 was outstanding.

The County has committed to renovate the Health Department building. The estimated cost is \$750,000. \$250,000 is available in the Capital Projects fund and a CDBG grant of \$500,000 has been approved for the balance.

NOTE 12 RISK MANAGEMENT

The County is exposed to various types of risk of loss and maintains elements of both self-insurance and purchased insurance policies divided into coverage of worker's compensation, property and casualty, and employee health insurance. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accordance with insurance policy and benefit program limits. There have not been any reductions in insurance coverage from the prior year. The amounts of settlements have not exceeded coverage in each of the past three fiscal years. The County has recorded insurance premium expenditures in the applicable functional expenditure categories of the General Fund. These expenditures do not include estimated claim losses and estimable premium adjustments. In management's opinion, supplemental premium assessments, if any, would not be significant enough to have a material adverse effect on the financial position of the County.

The State of South Carolina assumes substantially all risks for the following:

Property and casualty insurance on buildings, equipment, and vehicles owned by the County as well as tort liability on County employees (South Carolina Insurance Reserve Fund).

The County participates in the South Carolina Municipal Association Workers' Compensation Pool, a public entity risk pool for its Workers Compensation coverage. Pool members are subject to a supplemental assessment in the event of deficiencies.

**JASPER COUNTY, SOUTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013**

NOTE 13 PROPERTY HELD FOR RESALE

The detail on property held for resale is as follows:

	June 30, 2012	Additions	Cost of Land Sold	June 30, 2013
Cypress Ridge Land	\$ 670,640	\$ -	\$ -	\$ 670,640
Ridgeland Industrial Park	40,240	-	-	40,240
Sergeant Jasper Park	69,300	-	-	69,300
Cypress Ridge Spec Bldg 1	320,000	-	-	320,000
Cypress Ridge Spec Bldg 2	604,160	-	-	604,160
Total	\$ 1,704,340	\$ -	\$ -	\$ 1,704,340

NOTE 14 INVESTMENT IN CAPITAL ASSETS, NET

The computation of invested in capital assets, net of related debt is as follows:

Capital Assets	\$ 32,512,955
Debt on Capital Assets:	
Revenue Bonds	(12,835,000)
General Obligation Bonds	(4,500,000)
Bond Anticipation Note	(1,245,000)
Capital Leases	(820,657)
Notes Payable	(201,139)
Premium on Bonds Payable	(94,879)
Discount on Bonds Payable	366,565
Invested in Capital Assets, net of related debt	\$ 13,182,845

The long-term debt includes \$739,605 that offsets the lease receivable from LCOG and is not included in debt on capital assets.

NOTE 15 PRIOR PERIOD ADJUSTMENT

The County reported a prior period adjustment of \$1,633,857 of unamortized bond issue costs in accordance with GASB Statement No. 65. The \$177,334 of bond issue costs that is remaining represents prepaid insurance of \$190,000 less accumulated amortization of \$12,666.

REQUIRED SUPPLEMENTARY INFORMATION

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>(NEGATIVE)</u>
REVENUES				
Taxes	\$ 17,216,767	\$ 17,216,767	\$ 18,199,220	\$ 982,453
Fines, Fees and Licenses	2,628,000	2,628,000	2,642,430	14,430
Intergovernmental	1,399,425	1,399,425	1,274,524	(124,901)
Miscellaneous	286,400	286,400	390,525	104,125
Total Revenues	<u>21,530,592</u>	<u>21,530,592</u>	<u>22,506,699</u>	<u>976,107</u>
EXPENDITURES				
Current:				
County Council	<u>221,700</u>	<u>221,700</u>	<u>226,120</u>	<u>(4,420)</u>
County Attorney	<u>157,250</u>	<u>157,250</u>	<u>156,359</u>	<u>891</u>
Administrator	<u>469,150</u>	<u>469,150</u>	<u>486,419</u>	<u>(17,269)</u>
Administrative Services				
Tax Collector	197,665	197,665	182,539	15,126
Assessor	447,600	447,600	396,779	50,821
Finance Department	169,500	169,500	170,350	(850)
Register of Deeds	134,250	134,250	124,046	10,204
Keep America Beautiful	2,000	2,000	1,017	983
Human Resources	182,700	182,700	171,759	10,941
Total Administrative Services	<u>1,133,715</u>	<u>1,133,715</u>	<u>1,046,490</u>	<u>87,225</u>
Development Services				
Economic Development Department	11,000	11,000	5,071	5,929
Business Licenses	63,350	63,350	63,188	162
Planning Commission	188,820	188,820	158,818	30,002
Recreation Department	295,200	295,200	268,288	26,912
Sgt Jasper Park	173,800	173,800	167,894	5,906
Building Permits	144,600	144,600	105,298	39,302
Total Development Services	<u>876,770</u>	<u>876,770</u>	<u>768,557</u>	<u>108,213</u>
Emergency Services				
Emergency Management	154,800	84,700	17,966	66,734
Emergency Telecommunications	879,500	879,500	911,800	(32,300)
Fire and Rescue	2,686,600	2,686,600	2,788,826	(102,226)
Information Technology	414,100	414,100	513,785	(99,685)
Emergency Services Department	1,351,900	1,422,000	1,450,606	(28,606)
Detention Center	2,916,500	2,916,500	2,552,018	364,482
Cherry Point Fire Station	417,750	417,750	363,025	54,725
Capital Improvements	-	-	-	-
Total Emergency Services	<u>8,821,150</u>	<u>8,821,150</u>	<u>8,598,026</u>	<u>223,124</u>

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		(NEGATIVE)
Engineering Services				
Administrative	\$ 228,550	\$ 228,550	\$ 235,685	\$ (7,135)
Central Garage	168,700	168,700	159,570	9,130
Mosquito Control	17,200	17,200	7,520	9,680
Litter Control	63,100	63,100	63,344	(244)
Roads and Bridges	536,008	532,500	537,927	(5,427)
Building Maintenance	318,792	322,300	323,502	(1,202)
Solid Waste	833,200	833,200	815,428	17,772
Total Engineering Services	<u>2,165,550</u>	<u>2,165,550</u>	<u>2,142,976</u>	<u>22,574</u>
Treasurer	<u>150,300</u>	<u>150,300</u>	<u>138,095</u>	<u>12,205</u>
Auditor	<u>190,000</u>	<u>190,000</u>	<u>181,065</u>	<u>8,935</u>
Probate Judge	<u>171,000</u>	<u>171,000</u>	<u>161,568</u>	<u>9,432</u>
Clerk of Court				
Clerk of Court	566,400	566,400	508,310	58,090
Clerk of Court Incentive	-	-	10,050	(10,050)
Total Clerk of Court	<u>566,400</u>	<u>566,400</u>	<u>518,360</u>	<u>48,040</u>
Sheriff				
Sheriff	2,578,600	2,578,600	2,727,656	(149,056)
Victims Witness Program	70,400	70,400	97,230	(26,830)
Sheriff Child Support	-	-	5,537	(5,537)
Total Sheriff	<u>2,649,000</u>	<u>2,649,000</u>	<u>2,830,423</u>	<u>(181,423)</u>
Magistrate				
Central Traffic	160,800	160,800	137,197	23,603
Magistrate Lynah	110,700	110,700	108,520	2,180
Hardeeville	118,600	118,600	121,947	(3,347)
Central Bond	106,000	106,000	86,641	19,359
Magistrate McDonald	102,350	102,350	112,515	(10,165)
Magistrate Badgett	36,800	36,800	35,445	1,355
Total Magistrate	<u>635,250</u>	<u>635,250</u>	<u>602,265</u>	<u>32,985</u>
Veterans Affairs	<u>116,800</u>	<u>116,800</u>	<u>114,010</u>	<u>2,790</u>
Election Commission	<u>245,700</u>	<u>245,700</u>	<u>161,787</u>	<u>83,913</u>
Coroner	<u>127,800</u>	<u>127,800</u>	<u>121,620</u>	<u>6,180</u>

JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
Interdepartmental				
Interdepartmental	\$ 1,052,000	\$ 1,052,000	\$ 737,529	\$ 314,471
Data Processing	312,000	312,000	360,247	(48,247)
Capital Improvements	95,000	95,000	82,181	12,819
Total Interdepartmental	<u>1,459,000</u>	<u>1,459,000</u>	<u>1,179,957</u>	<u>279,043</u>
Health, Education and Welfare				
Agency Appropriations	945,097	945,097	947,096	(1,999)
County Libraries	24,360	24,360	24,786	(426)
Health Department	27,000	27,000	33,822	(6,822)
Department of Social Services	36,750	36,750	36,301	449
Miscellaneous County Accounts	29,950	29,950	37,450	(7,500)
Hardeeville Annex	8,000	8,000	7,691	309
Farmers Market	5,500	5,500	7,627	(2,127)
Total Health, Education and Welfare	<u>1,076,657</u>	<u>1,076,657</u>	<u>1,094,773</u>	<u>(18,116)</u>
Debt Service:				
Principal	245,400	245,400	233,885	11,515
Interest	-	-	9,588	(9,588)
Total Debt Service	<u>245,400</u>	<u>245,400</u>	<u>243,473</u>	<u>1,927</u>
Capital Outlay:				
Sheriff Department	240,000	240,000	188,278	51,722
Emergency Services	-	-	9,072	(9,072)
Total Capital Outlay	<u>240,000</u>	<u>240,000</u>	<u>197,350</u>	<u>42,650</u>
Total Expenditures	<u>21,718,592</u>	<u>21,718,592</u>	<u>20,969,693</u>	<u>748,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(188,000)</u>	<u>(188,000)</u>	<u>1,537,006</u>	<u>1,725,006</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	308,000	308,000	263,000	(45,000)
Transfers Out	(120,000)	(120,000)	(80,616)	39,384
Total Other Financing Sources (Uses)	<u>188,000</u>	<u>188,000</u>	<u>182,384</u>	<u>(5,616)</u>
Net change in fund balances	-	-	1,719,390	1,719,390
Fund balances, beginning	<u>5,940,925</u>	<u>5,940,925</u>	<u>5,500,275</u>	<u>(440,650)</u>
Fund balances, ending	<u>\$ 5,940,925</u>	<u>\$ 5,940,925</u>	<u>\$ 7,219,665</u>	<u>\$ 1,278,740</u>

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION:

The basis of budgeting is the same as generally accepted accounting principles. The County adopts annual budgets for the General Fund using the modified accrual basis. An annual budget for the Special Revenue Fund is not adopted as sufficient budgetary control is achieved through restrictions included in the various grant agreements. An annual operating budget for the Capital Projects Fund is not adopted as its revenues and expenditures are adopted on a project basis. Appropriations lapse at the end of the budget year.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Accommodations Tax Fund This fund is used to account for the County's share of accommodations taxes that are legally restricted for expenditures that promote parks, recreation and tourism within the County.

Waste Tire Fund This fund is used to account for the revenues received from the state for the removal of waste tires.

Sheriff Fund This fund is used to account for the funds the sheriff derives from search and seizure.

E911 Fund This fund is used to account for the telecommunications carrier fees that are restricted for expenditures related to emergency dispatch services.

Grants This fund is used to account for grant funds that are restricted to specific purposes.

**JASPER COUNTY, SOUTH CAROLINA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013**

	SPECIAL REVENUE					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	GRANTS	
ASSETS						
Cash	\$ -	\$ -	\$ 66,012	\$ -	\$ 6	\$ 66,018
Receivables	-	2,648	-	40,526	229,529	272,703
Restricted Cash	435,783	-	-	534,661	-	970,444
Interfund Receivables	-	-	-	-	-	-
Total Assets	<u>\$ 435,783</u>	<u>\$ 2,648</u>	<u>\$ 66,012</u>	<u>\$ 575,187</u>	<u>\$ 229,535</u>	<u>\$ 1,309,165</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 8,506	\$ 3,110	\$ -	\$ -	\$ 45,280	\$ 56,896
Unearned Revenue	-	-	-	-	7,523	7,523
Interfund Payables	-	6,447	-	-	176,732	183,179
Total Liabilities	<u>8,506</u>	<u>9,557</u>	<u>-</u>	<u>-</u>	<u>229,535</u>	<u>247,598</u>
Fund Balances						
Restricted	<u>427,277</u>	<u>(6,909)</u>	<u>66,012</u>	<u>575,187</u>	<u>-</u>	<u>1,061,567</u>
Total Fund Balances	<u>427,277</u>	<u>(6,909)</u>	<u>66,012</u>	<u>575,187</u>	<u>-</u>	<u>1,061,567</u>
Total Liabilities and Fund Balances	<u>\$ 435,783</u>	<u>\$ 2,648</u>	<u>\$ 66,012</u>	<u>\$ 575,187</u>	<u>\$ 229,535</u>	<u>\$ 1,309,165</u>

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The notes to the financial statements are an integral part of this statement.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	ACCOM TAX	WASTE TIRE	SHERIFF	E911	GRANTS	
REVENUES						
Taxes	\$ 308,506	\$ -	\$ -	\$ -	\$ -	\$ 308,506
Fines, Fees and Licenses	-	-	-	357,269	-	357,269
Intergovernmental	-	1,849	131,812	-	1,721,328	1,854,989
Miscellaneous	195	26,562	-	-	-	26,757
Total Revenue	<u>308,701</u>	<u>28,411</u>	<u>131,812</u>	<u>357,269</u>	<u>1,721,328</u>	<u>2,547,521</u>
EXPENDITURES						
Current:						
Development Services	229,769	-	-	-	871,856	1,101,625
Emergency Services	-	-	-	-	109,492	109,492
Engineering Services	-	35,320	-	-	507,632	542,952
Sheriff	-	-	154,892	-	49,149	204,041
Capital Outlay:						
Development Services	-	-	-	-	183,199	183,199
Sheriff	-	-	14,245	-	-	14,245
	<u>229,769</u>	<u>35,320</u>	<u>169,137</u>	<u>-</u>	<u>1,721,328</u>	<u>2,155,554</u>
Excess (deficiency) of revenues over (under) expenditures	<u>78,932</u>	<u>(6,909)</u>	<u>(37,325)</u>	<u>357,269</u>	<u>-</u>	<u>391,967</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	80,616	-	-	-	-	80,616
Transfers Out	(143,000)	-	-	(120,000)	-	(263,000)
Total Other Financing Sources (Uses)	<u>(62,384)</u>	<u>-</u>	<u>-</u>	<u>(120,000)</u>	<u>-</u>	<u>(182,384)</u>
Net change in fund balances	16,548	(6,909)	(37,325)	237,269	-	209,583
Fund balances, beginning	410,729	-	103,337	337,918	-	851,984
Fund balances, ending	<u>\$ 427,277</u>	<u>\$ (6,909)</u>	<u>\$ 66,012</u>	<u>\$ 575,187</u>	<u>\$ -</u>	<u>\$ 1,061,567</u>

The notes to the financial statements are an integral part of this statement.

FUDICIARY FUNDS

Agency Funds

Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments.

School	This fund is used to account for receipts by the treasurer of assets earmarked for the school district.
Clerk of Court	This fund is used to account for child support payments, bonds, restitution and fines collected by the clerk of court.
Delinquent Tax Collector	This fund represents delinquent taxes collected for the school district and funds on hand from the tax sale.
1% Fire Fund	This fund represents the receipts by the treasurer that will be disbursed to the various fire departments within the County.
Nickel Plate Road Dev	This fund represents the 40% of taxes to be paid to the developer and Hampton County.
Treasurers Tax Account	This fund represents the portion of the tax account designated for other entities.
Town of Ridgeland	This fund represents the taxes due to the Town of Ridgeland.
City of Hardeeville	This fund represents the taxes due to the City of Hardeeville.
Magistrates Court	This fund represents fines collected that have not been disposed of by the court.
Register of Deeds	This fund represents the portion of the fee to be paid to the state.
Settings Trust Fund	This fund represents insurance proceeds over a developmental agreement settlement.

JASPER COUNTY, SOUTH CAROLINA
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Balance June 30, 2012	Additions	Deductions	Balance June 30, 2013
School				
Asset - Cash	\$ 4,681,355	\$ 43,489,517	\$ 43,643,702	\$ 4,527,170
Liabilities - Due to Others	\$ 4,681,355	\$ 43,489,517	\$ 43,643,702	\$ 4,527,170
Clerk of Court				
Asset - Cash	\$ 672,146	\$ 2,729,554	\$ 2,721,036	\$ 680,664
Liabilities - Due to Others	\$ 672,146	\$ 2,729,554	\$ 2,721,036	\$ 680,664
Delinquent Tax Collector				
Asset - Cash	\$ 751,214	\$ 5,965,925	\$ 5,987,114	\$ 730,025
Liabilities - Due to Others	\$ 751,214	\$ 5,965,925	\$ 5,987,114	\$ 730,025
1% Fire Fund				
Asset - Cash	\$ 163,691	\$ 57,683	\$ 193,500	\$ 27,874
Liabilities - Due to Others	\$ 163,691	\$ 57,683	\$ 193,500	\$ 27,874
Nickle Plate Road Dev				
Asset - Cash	\$ 158,758	\$ 748,176	\$ 703,422	\$ 203,512
Liabilities - Due to Others	\$ 158,758	\$ 748,176	\$ 703,422	\$ 203,512
Treasurers Tax Account				
Asset - Cash	\$ 132,293	\$ 1,117,644	\$ 1,144,099	\$ 105,838
Liabilities - Due to Others	\$ 132,293	\$ 1,117,644	\$ 1,144,099	\$ 105,838
Town of Ridgeland				
Asset - Cash	\$ 5,642	\$ 569,044	\$ 574,427	\$ 259
Liabilities - Due to Others	\$ 5,642	\$ 569,044	\$ 574,427	\$ 259
City of Hardeeville				
Asset - Cash	\$ 23,332	\$ 4,533,080	\$ 4,552,480	\$ 3,932
Liabilities - Due to Others	\$ 23,332	\$ 4,533,080	\$ 4,552,480	\$ 3,932
Magistrates Court				
Asset - Cash	\$ 45,969	\$ 91,696	\$ 99,049	\$ 38,616
Liabilities - Due to Others	\$ 45,969	\$ 91,696	\$ 99,049	\$ 38,616
Register of Deeds				
Asset - Cash	\$ 18,331	\$ 280,429	\$ 277,244	\$ 21,516
Liabilities - Due to Others	\$ 18,331	\$ 280,429	\$ 277,244	\$ 21,516
Forfeit Land Commission				
Asset - Cash	\$ 8,219	78,324	79,982	\$ 6,561
Liabilities - Due to Others	\$ 8,219	78,324	79,982	\$ 6,561
Installment Tax Account				
Asset - Cash	\$ 30,523	\$ 95,556	\$ 64,233	\$ 61,846
Liabilities - Due to Others	\$ 30,523	\$ 95,556	\$ 64,233	\$ 61,846
Setting Trust Account				
Asset - Cash	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Liabilities - Due to Others	\$ -	\$ 1,000,000	\$ -	\$ 1,000,000
Total Assets - Cash	\$ 6,691,473	\$ 60,756,628	\$ 60,040,288	\$ 7,407,813
Total Liabilities - Due to Others	\$ 6,691,473	\$ 60,756,628	\$ 60,040,288	\$ 7,407,813

The notes to the financial statements are an integral part of this statement.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES
FOR THE YEAR ENDED JUNE 30, 2013**

COURT FINES

Court fines collected	\$ 472,065
Court fines retained by the County	<u>(254,311)</u>
Court fines remitted to the State Treasurer	<u>217,754</u>

COURT ASSESSMENTS

Court assessments collected	310,918
Court assessments retained by County	<u>(117,932)</u>
Court assessments remitted to the State Treasurer	<u>192,986</u>

COURT SURCHARGES

Court surcharges collected	104,576
Court surcharges retained by the County	<u>-</u>
Court surcharges remitted to the State Treasurer	<u>104,576</u>

VICTIMS ASSISTANCE

Court assessments allocated to Victims Assistance	27,459
Court surcharges allocated to Victims Assistance	<u>15,904</u>
Funds allocated to Victims Assistance	<u>43,363</u>
Interest income	-
Victim Services expenditures	<u>(47,933)</u>
Funds available (deficit) for carryforward	(4,570)
Beginning balance	<u>4,570</u>
Ending balance	<u><u>\$ -</u></u>

The cost of the court fines audit was \$1,000.

STATISTICAL SECTION

JASPER COUNTY, SOUTH CAROLINA

STATISTICAL SECTION

This part of the Jasper County, South Carolina comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosure, and required supplementary information says about the County's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	58-61
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	62-64
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	65-70
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help comparisons over time and with other governments.	70-71
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.	73-75

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**JASPER COUNTY, SOUTH CAROLINA
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS**

Schedule 1

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GOVERNMENTAL ACTIVITIES										
Invested in Capital Assets, Net of Related Debt	\$ 16,750,785	\$ 17,707,633	\$ 18,033,457	\$ 18,575,683	\$ 19,517,800	\$ 19,162,304	\$ 17,091,293	\$ 14,002,982	\$ 12,827,924	\$ 13,182,845
Restricted	-	-	-	-	685,741	3,944,537	4,205,198	4,539,212	1,750,065	1,883,628
Unrestricted	8,523,876	8,682,699	12,011,585	11,890,660	9,336,633	935,975	1,019,459	2,321,926	7,218,705	5,782,354
Total Governmental Activities Net Position	<u>\$ 25,274,661</u>	<u>\$ 26,390,332</u>	<u>\$ 30,045,042</u>	<u>\$ 30,466,343</u>	<u>\$ 29,540,174</u>	<u>\$ 24,042,816</u>	<u>\$ 22,315,950</u>	<u>\$ 20,864,120</u>	<u>\$ 21,796,694</u>	<u>\$ 20,848,827</u>

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)**

Schedule 2

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental Activities:										
County Council	\$ 128,310	\$ 114,582	\$ 118,761	\$ 134,382	\$ 186,952	\$ 222,077	\$ 207,604	\$ 208,343	\$ 234,265	\$ 221,822
County Attorney	-	-	-	-	-	160,460	158,494	152,084	158,007	159,124
Administrator	324,993	277,686	289,214	339,998	459,140	368,859	410,059	409,656	467,475	492,938
Administrative Services	604,881	627,279	817,788	1,001,209	1,363,203	1,527,501	1,280,754	1,202,744	1,106,474	1,051,409
Development Services	1,465,253	1,372,668	1,526,043	1,762,212	1,994,679	1,804,506	1,959,726	1,618,401	1,566,414	2,344,972
Emergency Services	4,665,458	6,276,143	6,677,353	8,084,096	9,575,753	11,462,011	10,160,230	8,932,496	8,705,536	9,182,801
Engineering Services	2,254,202	1,901,778	2,615,122	2,615,436	2,650,295	3,036,955	2,418,172	2,350,468	3,037,772	2,985,205
Treasurer	90,493	93,102	107,206	114,184	158,188	155,341	137,095	141,852	145,052	138,367
Auditor	144,620	120,062	156,905	154,042	225,344	246,090	195,511	182,117	180,416	194,914
Probate Judge	140,293	142,204	147,803	166,147	182,278	179,219	128,959	144,576	134,651	161,568
Clerk of Court	476,808	408,538	463,747	461,035	470,086	518,406	465,361	467,179	492,783	501,636
Sheriff	2,055,863	2,107,222	2,515,271	2,661,891	2,929,037	3,224,882	3,053,203	3,075,109	3,313,855	3,137,831
Magistrate	416,747	398,272	409,063	449,539	453,478	546,465	571,238	537,170	601,129	603,207
Veterans Affairs	73,656	78,624	92,216	107,730	111,421	99,590	108,363	113,967	113,401	117,868
Election Commission	153,737	123,269	223,951	183,191	238,603	236,943	218,932	172,179	229,723	189,724
Coroner	76,462	76,358	94,537	86,037	102,863	112,996	118,522	116,246	153,135	122,938
Interdepartmental	652,423	1,048,190	1,525,679	1,323,023	1,396,108	2,270,060	2,458,932	2,523,716	2,473,011	2,764,471
Health, Education, and Welfare	1,167,414	1,241,342	1,632,521	1,524,959	1,566,812	1,587,493	1,182,128	1,230,667	1,122,440	1,094,773
Interest Expense	67,353	100,908	166,443	142,168	143,638	132,747	329,636	335,501	766,858	850,242
Total Expenses	14,958,966	16,508,227	19,579,623	21,311,279	24,207,878	27,892,601	25,562,919	23,914,471	25,002,397	26,315,810
Revenues										
Governmental Activities:										
Program Revenues										
Charges for Services:	2,306,837	2,651,582	2,842,211	3,165,475						
EMS Fees					680,157	722,390	1,089,184	973,303	964,665	952,994
Business Licenses					496,556	398,283	230,094	327,619	290,980	381,425
Fines					582,516	522,713	676,356	617,023	554,554	444,629
Development Fees and Permits					686,292	353,709	412,584	202,182	279,677	337,447
Other					1,138,817	1,061,116	344,399	387,734	789,301	853,623
Operating Grants and Contributions	187,478	181,931	533,441	292,110	658,006	525,791	1,070,983	1,192,917	1,657,806	1,887,385
Capital Grants and Contributions	2,491,393	900,060	1,630,037	802,986	787,331	394,806	909,934	-	367,661	1,046,722
General Revenues										
Taxes	10,306,794	12,723,096	16,719,860	15,601,779	12,895,064	16,700,926	17,660,252	17,430,375	19,785,876	19,619,663
Grants and Contributions not restricted to specific programs	1,003,984	924,297	977,874	1,077,754	3,333,737	1,153,872	896,719	825,630	771,748	1,329,591
Earnings on investments	37,037	133,513	277,933	514,250	1,174,418	88,067	68,728	62,185	60,442	28,465
Other	31,708	137,123	225,271	278,226	848,815	473,570	476,820	443,673	412,261	119,856
Total Revenues	16,365,231	17,651,602	23,206,627	21,732,580	23,281,709	22,395,243	23,836,053	22,462,641	25,934,971	27,001,800
Change in net position	1,406,265	1,143,375	3,627,004	421,301	(926,169)	(5,497,358)	(1,726,866)	(1,451,830)	932,574	685,990
Net Position-Beginning	23,868,396	25,274,661	26,418,038	30,045,042	30,466,343	29,540,174	24,042,816	22,315,950	20,864,120	21,796,694
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	(1,633,857)
Net Position-Ending	\$ 25,274,661	\$ 26,418,036	\$ 30,045,042	\$ 30,466,343	\$ 29,540,174	\$ 24,042,816	\$ 22,315,950	\$ 20,864,120	\$ 21,796,694	\$ 20,848,827

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

Schedule 3

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
GENERAL FUND										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,648	\$ 484,594	\$ 560,768	\$ 350,682
Unassigned	3,841,621	4,586,817	7,172,865	7,917,460	6,116,693	1,766,279	2,070,925	2,813,708	4,939,507	6,868,983
Total General Fund	<u>\$ 3,841,621</u>	<u>\$ 4,586,817</u>	<u>\$ 7,172,865</u>	<u>\$ 7,917,460</u>	<u>\$ 6,116,693</u>	<u>\$ 1,766,279</u>	<u>\$ 2,458,573</u>	<u>\$ 3,298,302</u>	<u>\$ 5,500,275</u>	<u>\$ 7,219,665</u>
ECONOMIC DEVELOPMENT FUND										
Nonspendable	\$ 1,605,942	\$ 1,556,260	\$ 2,107,420	\$ 2,082,420	\$ 2,104,340	\$ 2,070,316	\$ 2,035,086	\$ 1,998,606	\$ 1,960,833	\$ 1,921,720
Assigned	-	-	-	-	-	-	-	625,571	677,748	599,292
Total Economic Development Fund	<u>\$ 1,605,942</u>	<u>\$ 1,556,260</u>	<u>\$ 2,107,420</u>	<u>\$ 2,082,420</u>	<u>\$ 2,104,340</u>	<u>\$ 2,070,316</u>	<u>\$ 2,035,086</u>	<u>\$ 2,624,177</u>	<u>\$ 2,638,581</u>	<u>\$ 2,521,012</u>
CAPITAL PROJECTS FUND										
Restricted	\$ 1,150,703	\$ 1,118,657	\$ 1,702,205	\$ 7,144,590	\$ 4,972,735	\$ 6,933,835	\$ 3,467,438	\$ 88,977	\$ -	\$ -
Committed	-	-	-	-	-	-	-	-	766,968	455,066
Assigned	-	-	-	898,606	482,205	424,062	377,670	551,872	-	-
Total Capital Projects Fund	<u>\$ 1,150,703</u>	<u>\$ 1,118,657</u>	<u>\$ 1,702,205</u>	<u>\$ 8,043,196</u>	<u>\$ 5,454,940</u>	<u>\$ 7,357,897</u>	<u>\$ 3,845,108</u>	<u>\$ 640,849</u>	<u>\$ 766,968</u>	<u>\$ 455,066</u>
Debt Service Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,370	\$ 440,650	\$ 530,482
Total Debt Service Fund	<u>\$ -</u>	<u>\$ 228,370</u>	<u>\$ 440,650</u>	<u>\$ 530,482</u>						
ALL OTHER GOVERNMENTAL FUNDS										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 220,091	\$ 241,051	\$ 748,647	\$ 995,555
Assigned	-	-	-	-	-	-	-	-	103,337	66,012
Committed	564,062	640,846	763,803	764,894	685,741	912,609	454,792	320,171	-	-
Total All Other Governmental Funds	<u>\$ 564,062</u>	<u>\$ 640,846</u>	<u>\$ 763,803</u>	<u>\$ 764,894</u>	<u>\$ 685,741</u>	<u>\$ 912,609</u>	<u>\$ 674,883</u>	<u>\$ 561,222</u>	<u>\$ 851,984</u>	<u>\$ 1,061,567</u>

Source: County Audit Reports

**JASPER COUNTY, SOUTH CAROLINA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)**

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes	\$ 10,335,317	\$ 12,671,321	\$ 16,112,621	\$ 16,310,981	\$ 16,208,963	\$ 16,355,656	\$ 17,552,606	\$ 17,479,566	\$ 19,595,237	\$ 19,783,721
Fines, Fees, and Licenses	2,286,895	2,468,870	2,879,721	3,076,550	3,453,864	2,895,500	2,534,153	2,390,591	2,862,250	3,051,045
Intergovernmental	2,442,814	2,041,227	2,331,937	2,046,598	2,598,454	2,190,940	2,989,546	2,080,292	2,443,676	2,997,701
Miscellaneous	1,107,295	828,800	1,343,091	940,811	1,601,576	561,637	574,828	567,411	1,039,387	2,021,768
Total Revenues	16,172,321	18,010,218	22,667,370	22,374,940	23,862,857	22,003,733	23,651,133	22,517,860	25,940,550	27,854,235
Expenditures										
Current:										
County Council	128,310	114,582	118,761	134,382	173,655	222,538	204,853	213,154	234,706	226,120
County Attorney	-	-	-	-	-	153,288	149,779	151,057	154,652	156,359
Administrator	322,947	293,589	304,841	349,197	462,763	356,342	395,149	402,354	462,518	486,419
Administrative Services	573,985	603,499	809,461	996,441	1,278,477	1,456,237	1,221,345	1,171,607	1,100,949	1,046,490
Development Services	3,724,718	1,619,090	1,734,568	2,157,475	1,951,846	1,747,988	2,810,939	1,530,359	1,528,004	2,289,923
Emergency Services	7,746,270	7,637,030	7,223,206	8,998,374	9,278,103	10,863,837	9,738,625	8,548,424	8,324,789	8,779,250
Engineering Services	2,237,176	2,732,589	2,932,579	3,564,388	2,517,335	3,023,712	2,417,162	2,480,938	2,835,578	2,733,107
Treasurer	90,493	92,642	105,162	113,751	152,909	151,414	138,511	139,932	144,769	138,095
Auditor	144,620	120,624	151,384	152,328	222,501	244,309	199,504	191,176	178,350	181,065
Probate Judge	140,293	140,653	142,995	158,338	181,721	177,124	133,452	144,576	134,651	161,568
Clerk of Court	445,236	402,076	454,520	452,632	466,021	511,780	463,147	462,929	488,949	518,360
Sheriff	2,062,659	2,174,036	2,865,387	2,776,339	2,713,230	2,903,803	2,847,602	2,930,756	3,190,916	3,034,464
Magistrate	416,747	398,330	401,231	447,801	455,827	533,569	568,644	542,008	591,428	602,265
Veterans Affairs	73,520	78,046	89,650	105,931	111,219	96,270	109,379	110,624	121,033	114,010
Election Commission	150,397	146,863	452,178	163,790	212,003	209,343	191,239	150,756	203,226	161,787
Coroner	76,462	76,358	94,537	86,037	102,863	111,908	117,434	115,968	152,138	121,620
Interdepartmental	1,074,373	993,635	1,721,788	1,199,832	1,096,383	986,759	1,097,047	1,496,310	1,090,215	1,179,957
Health, Education, and Welfare	1,294,995	1,241,395	1,630,566	1,523,863	1,565,675	1,592,191	1,182,128	1,230,667	1,122,440	1,094,773
Debt Service										
Principal	-	-	-	-	9,178,376	1,260,178	2,456,355	166,467	617,519	623,885 (1)
Interest	-	-	-	-	288,165	399,799	446,071	497,773	739,226	872,281
Capital Outlay										
Total Expenditures	20,703,201	18,865,037	21,232,814	23,380,899	37,949,367	32,615,584	31,182,778	24,391,648	23,855,218	27,232,922
Excess (deficiency) of revenues over (under) expenditures	(4,530,880)	(854,819)	1,434,556	(1,005,959)	(14,086,510)	(10,611,851)	(7,531,645)	(1,873,788)	2,085,332	621,313
Other Financing Sources (Uses)										
Issuance of Debt	103,326	2,266,811	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021
Transfers In	379,648	555,001	574,706	723,620	897,514	577,074	574,559	2,199,266	585,211	343,616
Transfers Out	(379,648)	(555,001)	(574,706)	(723,620)	(897,514)	(577,074)	(574,559)	(2,199,266)	(585,211)	(343,616)
Total Other Financing Sources (Uses)	103,326	2,266,811	2,158,000	8,252,240	9,314,726	8,094,000	4,385,000	(271,298)	760,206	968,021
Net Change in Fund Balances	(4,427,554)	1,411,992	3,592,556	7,246,281	(4,771,784)	(2,517,851)	(3,146,645)	(2,145,086)	2,845,538	1,589,334
Fund Balances, Beginning	12,111,011	7,683,457	9,095,449	12,688,005	19,934,286	15,162,502	12,644,651	9,498,006	7,352,920	10,198,458
Fund Balances, Ending	\$ 7,683,457	\$ 9,095,449	\$ 12,688,005	\$ 19,934,286	\$ 15,162,502	\$ 12,644,651	\$ 9,498,006	\$ 7,352,920	\$ 10,198,458	\$ 11,787,792
Debt service as a percentage of noncapital expenditures	N/A	N/A	6.3%	4.7%	4.6%	5.7%	10.6%	2.9%	5.8%	6.1%

Source: County Audit Reports

(1) Reconciliation to Payments - Note 6

Principal payments above	\$ 623,885
Principal in Other Financing Sources	1,200,000
Principal paid by Lowcounty Council of Governments from Lease Receivable	37,856
Total per Note 6	\$ 1,861,741

**JASPER COUNTY, SOUTH CAROLINA
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS**

Schedule 5

FISCAL YEAR ENDED JUNE 30,	ASSESSED VALUE			MARKET VALUE			TOTAL DIRECT TAX RATE
	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	REAL PROPERTY	PERSONAL PROPERTY	TOTAL	
2004	\$ 43,347,258	\$ 21,175,584	\$ 64,522,842	\$ 861,774,513	\$ 220,832,006	\$ 1,082,606,519	138.50
2005	44,745,667	24,677,657	69,423,324	893,911,467	233,471,186	1,127,382,653	163.00
2006	44,618,276 **	52,893,868	97,512,144	887,684,147	467,847,306	1,355,531,453	155.00
2007	60,899,190 *	56,232,882 *	117,132,072 *	1,343,006,038 *	505,275,090 *	1,848,281,128 *	109.50
2008	66,020,450	54,038,328	120,058,778	1,416,408,436	343,087,006	1,759,495,442	115.00
2009	67,020,823	55,195,563	122,216,386	1,430,688,443	579,135,539	2,009,823,982	119.00
2010	71,505,827	51,048,894	122,554,721	1,526,523,228	545,302,743	2,071,825,971	126.00
2011	73,864,445	49,329,208	123,193,653	1,553,137,000	396,765,531	1,949,902,531	123.00
2012	73,826,180	52,030,391	125,856,571	1,551,860,000	416,603,807	1,968,463,807	145.00
2013	67,733,480	51,286,490	119,019,970	1,535,120,165	348,145,245	1,883,265,410	155.00

* Reassessment Year.

** The increase in personal property is due to the construction of a power plant in Jasper County.

Data Source: County Auditor

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS**

Schedule 6

FISCAL YEAR ENDED JUNE 30,	COUNTY DIRECT RATES				OVERLAPPING RATES				
	BASIC RATE	EMERGENCY SERVICE	COUNTY DEBT	TOTAL DIRECT RATE	SCHOOL	SCHOOL	CHERRY	TOWN	CITY
					OPERATIONS	DEBT SERVICE	POINT FIRE DISTRICT	OF RIDGELAND	OF HARDEEVILLE
2004	138.50	-	-	138.50	127.00	4.50	30.00	85.00	147.00
2005	163.00	-	-	163.00	129.00	7.00	35.00	85.00	147.00
2006	155.00	-	-	155.00	133.50	7.50	35.00	110.00	147.00
2007	109.50	-	-	109.50	112.50	-	31.00	110.00	153.00
2008	115.00	-	-	115.00	118.00	-	31.00	114.20	153.00
2009	45.00	74.00	-	119.00	122.00	8.00	31.00	114.20	153.00
2010	66.00	60.00	-	126.00	129.00	12.00	31.00	114.20	153.00
2011	69.50	53.50	3.00	126.00	131.50	19.00	31.00	114.20	153.00
2012	86.50	58.50	12.00	157.00	165.25	25.00	33.00	114.20	153.00
2013	85.75	57.25	12.00	155.00	172.00	25.00	33.00	114.20	147.00

Source: County Finance Office

The County did not have components to the rate prior to 2009.

**JASPER COUNTY, SOUTH CAROLINA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Schedule 7

<u>TAXPAYER</u>	<u>2013</u>			<u>2004</u>		
	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>	<u>TAXABLE ASSESSED VALUE</u>	<u>RANK</u>	<u>PERCENTAGE OF TOTAL COUNTY TAXABLE ASSESSED VALUE</u>
South Carolina Electric & Gas	\$ 19,855,387	1	16.90 %	\$ 2,275,220	1	3.61 %
Palmetto Electric	3,048,550	2	2.30	1,373,960	3	2.18
Georgia DOT	1,941,120	3	1.50	1,542,520	2	2.45
CSX Transportation	1,324,937	4	1.10	-		-
Carolina Gas Transmission Corporation	1,080,940	5	0.90	-		-
Auston Chase	1,044,890	6	0.80	-		-
Courtney Bend LLC	827,480	7	0.70	-		-
Okeetee Club	707,650	8	0.70	570,240	7	0.91
Dell Webb Communities	627,680	9	0.60	-		-
Central Electric Power	524,690	10	0.50	439,550	9	0.70
Malphrus Construction	-		-	810,260	4	1.23
Carolina Atlanta & West	-		-	711,300	5	1.13
Hargray Telephone	-		-	612,190	6	0.97
Southern Natural Gas	-		-	462,850	8	0.74
Low Country Regional	-		-	340,730	10	0.54
Total	<u>\$ 30,983,324</u>		<u>26.00 %</u>	<u>\$ 9,138,820</u>		<u>14.46 %</u>

Source: Jasper County Auditor

**JASPER COUNTY, SOUTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Schedule 8

FISCAL YEAR ENDED JUNE 30,	TAXES LEVIED FOR THE FISCAL YEAR	COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY		COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE	
		AMOUNT	PERCENTAGE OF LEVY		AMOUNT	PERCENTAGE OF LEVY
2004	\$ 6,748,721	\$ 5,766,554	85.5	\$ 832,469	\$ 6,599,023	97.8 %
2005	8,744,021	7,551,518	87.0	922,399	8,473,917	96.9
2006	12,265,278	10,866,037	89.0	1,209,831	12,075,868	98.5
2007	11,783,083	10,814,100	91.8	781,813	11,595,913	98.4
2008	13,483,864	12,695,728	94.1	601,523	13,297,251	98.6
2009	14,024,397	12,599,271	89.8	891,541	13,490,812	96.2
2010	14,432,970	13,075,617	90.6	1,237,403	14,313,020	99.2
2011	14,327,464	13,008,749	90.8	1,138,672	14,147,421	98.7
2012	15,594,355	14,172,710	90.9	1,106,104	15,278,814	98.0
2013	15,647,788	14,300,250	91.4	-	14,300,250	91.4

Source: Delinquent Tax Collector, County Finance Office, County Auditor, County Treasurer

**JASPER COUNTY, SOUTH CAROLINA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Schedule 9

FISCAL YEAR ENDED JUNE 30,	GOVERNMENTAL ACTIVITIES					TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF PERSONAL INCOME	PER CAPITA
	GENERAL OBLIGATION BOND	NOTES PAYABLE	LEASES PAYABLE	REVENUE BOND	BOND ANTICIPATION			
2004	\$ -	\$ -	\$ 1,646,911	\$ -	\$ -	\$ 1,646,911	0.40	75.43
2005	-	1,146,778	1,531,076	-	785,000	3,462,854	0.70	161.83
2006	-	1,041,580	2,876,969	-	785,000	4,703,549	0.80	215.67
2007	-	932,866	2,092,466	-	8,170,000	11,195,332	1.90	509.97
2008	-	820,647	2,006,035	-	8,505,000	11,331,682	1.84	498.19
2009	-	703,404	2,312,100	-	15,150,000	18,165,504	2.94	782.28
2010	-	583,424	-	-	18,635,000	19,218,424	2.92	775.65
2011	-	460,179	-	11,915,000	6,735,000 (1)	19,110,179	2.91	758.49
2012	4,500,000	1,119,824	-	13,225,000	1,200,000	20,044,824	2.95	801.79
2013	4,500,000	940,744	820,657	12,835,000	1,245,000	20,341,401 (2)	2.89	787.42

Source: County Audit Report, US Census Bureau

(2) Reconciliation to Note 6 - page 38

Total Debt Note 6	\$ 20,069,715
Less unamortized amounts	271,686
	<u>\$ 20,341,401</u>

Note: Details of the County's outstanding debt can be found in the notes to the financial statements.

See schedule 14 for personal income and population.

These ratios are calculated using personal income and population for the prior calendar year.

N/A Information is not available.

(1) Converted to long-term debt on November 1, 2011.

**JASPER COUNTY, SOUTH CAROLINA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	GENERAL OBLIGATION BONDS	LESS: AMOUNTS AVAILABLE IN DEBT SERVICE FUNDS	TOTAL	PERCENTAGE OF ESTIMATED ACTUAL TAXABLE VALUE OF PROPERTY	PER CAPITA
2012	\$ 4,500,000 (1)	\$ - (2)	\$ 4,500,000	3.7 %	180.00
2013	\$ 4,500,000	\$ -	\$ 4,500,000	3.8	174.20

(1) This is the first year that the County has had General Obligation Debt.

(2) Principal is not due until FYE 2015; interest only until then.

**JASPER COUNTY, SOUTH CAROLINA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013**

<u>GOVERNMENTAL UNIT</u>	<u>DEBT OUTSTANDING</u>	<u>ESTIMATED PERCENTAGE APPLICABLE</u>	<u>ESTIMATED SHARE OF OVERLAPPING DEBT</u>
Debt repaid with property taxes			
Jasper County School District	\$ 39,389,226	100.00%	\$ 39,389,226
City of Hardeeville	3,178,761	17.50%	556,283
Subtotal overlapping debt	<u>42,567,987</u>		<u>39,945,509</u>
County direct debt	<u>20,069,715</u>	100.00%	<u>20,069,715</u>
Total direct and overlapping debt	<u><u>\$ 62,637,702</u></u>		<u><u>\$ 60,015,224</u></u>

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Sources: Assessed value data used to estimated applicable percentage provided by Jasper County Auditor.
Debt outstanding data provided by each governmental unit.

**JASPER COUNTY, SOUTH CAROLINA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

Schedule 12

Legal Debt Margin Calculation for Fiscal Year 2013

Assessed Value	\$ 119,019,970
Debt limit (8% of assessed value)	9,521,598
Debt applicable to limit:	
General Obligation	<u>4,500,000</u>
Total net debt applicable to limit	<u>4,500,000</u>
Legal Debt Margin	<u><u>\$ 5,021,598</u></u>

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Debt Limit	\$ 5,161,827	\$ 5,553,865	\$ 7,800,971	\$ 9,370,565	\$ 9,604,702	\$ 9,777,311	9,804,378	\$ 9,855,492	\$ 10,068,525	\$ 9,521,598
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,500,000</u>	<u>4,500,000</u>
Legal debt margin	<u>\$ 5,161,827</u>	<u>\$ 5,553,865</u>	<u>\$ 7,800,971</u>	<u>\$ 9,370,565</u>	<u>\$ 9,604,702</u>	<u>\$ 9,777,311</u>	<u>9,804,378</u>	<u>\$ 9,855,492</u>	<u>\$ 5,568,525</u>	<u>\$ 5,021,598</u>
Total net debt applicable to the limit as a percentage of debt limi %	<u>-</u>	<u>% -</u>	<u>% -</u>	<u>-</u>	<u>44.70</u>	<u>47.26 %</u>				

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Under state finance law, the County's outstanding general obligation debt should not exceed 8 percent of the total assessed property value.

Source: County Audit Report
County Auditor

**JASPER COUNTY, SOUTH CAROLINA
 PLEDGED-REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	DEBT SERVICE COLLECTIONS	DEBT SERVICE		COVERAGE
		PRINCIPAL	INTEREST	
2012	\$ 1,094,782	\$ 490,000	\$ 572,502	1.03
2013	\$ 1,276,024	\$ 390,000	\$ 840,193	1.04

This was the first year that revenue was pledged for the payment of debt.

**JASPER COUNTY, SOUTH CAROLINA
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	POPULATION	PERSONAL INCOME (thousands of dollars)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	UNEMPLOYMENT RATE
2004	21,193	\$ 464,437	\$ 21,833	34.0	N/A	5.2 %
2005	21,398	542,161	23,696	34.8	3,905	5.0
2006	21,809	577,982	26,247	33.8	4,005	5.1
2007	21,900	596,274	26,415	33.8	3,960	5.7
2008	22,746	613,335	26,965	32.7	4,307	6.0
2009	23,221	618,260	26,625	N/A	4,090	10.4
2010	24,777	655,924	26,282	34.8	4,136	9.9
2011	25,195	657,590	26,100	35.4	4,025	9.8
2012	25,000	652,250	26,090	35.4	4,012	8.9
2013	25,833	702,714	27,202	35.6	3,936	8.1

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Data Source:

- (1) US Bureau of the Census
- (2) US Department of Commerce, Bureau of Economic Analysis
- (3) Lowcountry Council of Governments
- (4) South Carolina Department of Education
- (5) South Carolina Employment Security Commission

**JASPER COUNTY, SOUTH CAROLINA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Schedule 15

EMPLOYER	2013			2004		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL COUNTY EMPLOYMENT
Jasper County School District	450	1	4.80 %	N/A		N/A %
New River Auto Mall	313	2	3.30	N/A		N/A
Wal-Mart	296	3	3.10	N/A		N/A
Jasper County	252	4	2.60	N/A		N/A
Beaufort-Jasper Comprehensive Health	250	5	2.60	N/A		N/A
Coastal Carolina Medical Center	216	6	2.30	N/A		N/A
Ridgeland Correctional Institution	199	7	2.10	N/A		N/A
J.C. Board of Disabilities & Special Needs	119	8	1.70	N/A		N/A
Cleland Construction Company	110	9	1.60	N/A		N/A
Ridgeland Nursing Center	96	10	1.00	N/A		N/A
Kwalu, Inc.	-		-	N/A		N/A
Lowcountry General Hospital	-		-	N/A		N/A
Best Western	-		-	N/A		N/A
South Carolina Highway Department	-		-	N/A		N/A
Razor Component Systems, Inc.	-		-	N/A		N/A
Days Inn	-		-	N/A		N/A
Total	<u>2,301</u>		<u>25.10 %</u>	<u>-</u>		<u>- %</u>

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Source: County Economic Development Department

JASPER COUNTY, SOUTH CAROLINA
FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Schedule 16

FUNCTION/PROGRAM	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
County Council	5	5	5	5	5	6	6	6	6	6
Administrator	4	4	4	4	4	3	3	2	3	2
Administrative Services	11	11	17	18	24	22	19	17	16	16
Development Services	3	3	6	11	14	10	5	4	5	5
Emergency Services	56	76 a	90 a	94	82	7	6	4	4	4
Engineering Services	45	46	49	43	48	45	40	39	35	35
Treasurer	3	2	3	3	3	3	3	3	3	3
Auditor	4	4	4	4	5	5	4	4	4	4
Probate Judge	3	3	3	3	3	3	2	2	2	2
Clerk of Court	7	7	8	8	8	10	8	9	7	7
Sheriff	30	29	35	37	34	38	39	39	42	42
Magistrate	11	12	10	8	9	11	11	11	11	11
Veterans Affairs	2	2	2	2	2	2	2	2	2	2
Election Commission	2	2	3	3	3	2	2	2	2	2
Coroner	1	1	1	1	1	2	3	2	2	2
Recreation	2	2	2	2	2	6	5	5	5	5
Fire & Rescue	N/A	N/A	N/A	N/A	N/A	42	39	38	43	47
Emergency Telecommunications	N/A	N/A	N/A	N/A	N/A	13	12	11	11	12
Information Technology	N/A	N/A	N/A	N/A	N/A	1	1	1	1	2
Detention	N/A	N/A	N/A	N/A	N/A	41	39	39	34	37
County Attorney	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2	2	2
Total	189	209	242	246	247	272	249	242	240	248

Source: County Human Resources

(a) The County began the hiring of additional jailers to staff the new detention center.

N/A After a management study, the County reorganized the functional areas and information prior to year 2002 would not be comparable.

**JASPER COUNTY, SOUTH CAROLINA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 17

	FISCAL YEAR									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
REGISTER OF DEEDS										
Documents Recorded	N/A	N/A *	3,841	7,728	6,882	5,606	5,429	4,737	5,654	6,713
SOLID WASTE										
Tons of Solid Waste Handled	N/A	N/A	8,631	11,153	9,866	9,866	9,956	5,353	7,399	7,048
BUILDING DEPARTMENT										
Residential Permits Issued	63	111	562	495	303	224	169	14	159	207
Value of Residential Permits	\$ 6,033,664	\$ 11,199,465	\$ 26,751,560	\$ 32,189,775	\$ 17,545,771	\$ 9,505,205	\$ 5,495,999	\$ 2,568,369	\$ 2,857,057	\$ 6,703,564
Commercial Permits Issued	39	33	77	78	61	127	44	4	30	35
Value of Commercial Permits	\$ 13,617,564	\$ 11,875,439	\$ 46,995,504	\$ 11,198,793	\$ 41,595,921	\$ 8,058,570	\$ 11,800,549	\$ 2,883,447	\$ 3,907,760	\$ 7,016,742
Mobile Home Permits Issued	N/A	N/A	219	228	132	116	92	82	120	103
PARKS & RECREATION										
Park Attendance	N/A	N/A	36,206	46,987	49,054	63,323	65,372	57,400	61,024	81,253
DETENTION CENTER										
Confinements	N/A	N/A	2,039	2,373	2,655	2,578	2,283	2,587	2,297	1,600
BUSINESS LICENSES & BILLBOARDS										
Business Licenses Issued	N/A	N/A	673	N/A	642	977	849	753	717	684
Gross Sales Within County	\$ 725,954,671	\$ 1,184,771,836	\$ 886,051,537	\$ 923,657,760	\$ 939,769,745	\$ 845,973,337	\$ 750,636,025	N/A	N/A	\$ 1,050,332,950
EMERGENCY SERVICES										
Calls Dispatched	N/A	N/A	23,660	22,446	21,877	40,061	47,359	50,811	50,952	46,271

N/A Information is not available.
 * Department opened in November 2005.
 Source: Various County Departments

**JASPER COUNTY, SOUTH CAROLINA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Schedule 18

<u>FUNCTION/PROGRAM</u>	<u>FISCAL YEAR</u>									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
DEVELOPMENT SERVICES:										
Community centers	6	6	6	6	6	6	6	6	6	6
Parks	11	11	11	11	11	11	11	11	11	11
Parks acreage	422	422	422	422	422	422	422	422	422	422
Boat landings	6	6	6	6	6	6	6	6	6	6
EMERGENCY SERVICES:										
Number of fire trucks	9	9	9	9	9	8	8	8	8	8
Number of fire stations	N/A	N/A	19	19	19	19	19	19	19	19
Number of ambulances	N/A	N/A	6	7	7	7	7	7	7	7
ENGINEERING SERVICES:										
Miles of Roads	N/A	N/A	124	124	124	124	124	124	124	124
Recycling centers	6	6	6	6	6	6	6	6	6	6
SHERIFF:										
Patrol units	15	15	15	18	18	18	18	18	18	18
HEALTH, EDUCATION & WELFARE										
County libraries	2	2	2	2	2	2	2	2	2	2

N/A Information is not available.

COMPLIANCE SECTION

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u><i>US Department of Health & Human Services</i></u>		
Passed through the SC Department of Social Services Child Enforcement Block Grant	93.563	\$ 76,771
<u><i>US Department of Agriculture</i></u>		
Passed through the SC State Forestry Commission Volunteer Fire Assistance Grants	10.664	14,960
<u><i>US Department of Housing and Urban Development</i></u>		
Passed through the SC Department of Commerce Community Development Block Grant	14.228	495,000
<u><i>US Department of Homeland Security</i></u>		
Passed through the SC Department of Emergency Preparedness Trauma Grant	97.004	10,370
LEMPG Grant	97.042	71,812
<u><i>US Department of Justice</i></u>		
Justice Assistance Grant Program	16.804	4,785
Cops	16.710	49,149
Equitable Sharing Program	16.922	14,025
Total Federal Financial Assistance		<u>\$ 736,872</u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jasper County, South Carolina and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 NON-CASH AWARDS

Jasper County, South Carolina, did not receive any non-cash federal awards during the year ended June 30, 2013.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Jasper County, South Carolina, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Jasper County, South Carolina's basic financial statements and have issued our report thereon dated December 10, 2013.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Jasper County, South Carolina's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Jasper County, South Carolina's internal control. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies. 2013-1 through 2013-4.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Jasper County, South Carolina's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2013-1 through 2013-4.

Jasper County, South Carolina's Response to Findings

Jasper County, South Carolina's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Jasper County, South Carolina's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 10, 2013

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the County Council
Jasper County, South Carolina
Ridgeland, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Jasper County, South Carolina's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Jasper County, South Carolina's major federal programs for the year ended June 30, 2013. Jasper County, South Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Jasper County, South Carolina's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audits of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audits to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Jasper County, South Carolina's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audits provide a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Jasper County, South Carolina's compliance.

Opinion on Each Major Federal Program

In our opinion, Jasper County, South Carolina, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2013-1 through 2013-4. Our opinion on each major federal program is not modified with respect to these matters.

Jasper County, South Carolina's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Jasper County, South Carolina's response was not

subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Jasper County, South Carolina, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audits of compliance, we considered Jasper County, South Carolina's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Jasper County, South Carolina's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2013-1 through 2013-4 to be significant deficiencies.

Jasper County, South Carolina's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Jasper County, South Carolina's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Baird & Company, CPAs, LLC

BAIRD & COMPANY, CPAs, LLC
Certified Public Accountants

Augusta, Georgia
December 10, 2013

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

I. Summary of Auditors' Results

- A. The auditors' report expresses an unmodified opinion on the financial statements of Jasper County, South Carolina.
- B. Our audit of the financial statements disclosed four significant deficiencies in internal control over financial reporting.
- C. Four instances of noncompliance material to the financial statements of Jasper County, South Carolina, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
- D. Four significant deficiencies in internal controls over major federal award programs were disclosed during the audit.
- E. The auditors' report on compliance for the major federal award programs Jasper County, South Carolina expresses an unmodified opinion on all major federal programs.
- F. Our audit disclosed four audit findings which relate to the federal awards which are required to be reported under section 510(a) of OMB Circular A-133.
- G. The major federal program for Jasper County, South Carolina for the fiscal year ended June 30, 2013 is:

<u>Program Name</u>	<u>CFDA#</u>
U. S. Department of Housing and Urban Development Pass through South Carolina Department of Commerce	
Community Development Block Grant	14.228

- H. The threshold for determining Type A programs for Jasper County, South Carolina is \$300,000.
- I. Jasper County, South Carolina did not qualify as a low risk auditee.

II. Findings Related to the Audit of the Financial Statements of Jasper County, South Carolina:

There were no findings noted for the year ended June 30, 2013 that are required to be reported in accordance with *Government Auditing Standards*.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

III. Findings and Questioned Costs Related to the Audit of Federal Awards

There were four findings noted for the year ended June 30, 2013 that are required to be reported in accordance with OMB Circular A-133 criteria.

Finding 2013-1

Criteria:

A separate bank account for CDBG grant fund cash is required to be established.

Condition:

CDBG receipts and disbursements were processed through the general fund checking account.

Cause:

Management was not aware that CDBG grants required a separate bank account.

Effect:

The County was not in compliance with the CDBG grant requirements.

Auditors' Recommendation:

To improve internal controls and operating efficiency management should establish a separate bank account for CDBG funds.

Management's Response:

Jasper County will ensure that all CDBG grants in the future have a separate bank account.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

III. Findings and Questioned Costs Related to the Audit of Federal Awards - Continued

Finding 2013-2

Criteria:

To comply with financial accountability and records regulations, the recipient must have a financial management system that provides adequate accounting records for CDBG funds and Sheriff's Equitable Sharing Funds. This includes accounting records in the system that readily identifies federal receipts and expenditures.

Condition:

The financial management system did not separately identify CDBG and Sheriff's Equitable Sharing Fund receipts and disbursements.

Cause:

Management did not have financial management system in place to separately identify CDBG and Sheriff's Equitable Sharing Fund receipts and disbursements.

Effect:

Costs attributable to grants were not adequately segregated from other receipts and disbursements and County was not in compliance with grant requirements.

Auditors' Recommendation:

To improve internal controls and operating efficiency management should set up a financial management system that provides accurate, current, and complete disclosure of the status of the grants.

Management's Response:

Jasper County did combine a CDBG Grant and a Rural Infrastructure Grant that were both for the Purrysburg Water/Sewer into one project. We will keep all grant funds separate in the future even if they are for the same project. Jasper County will also make the Sheriff aware of this issue with the Equitable Sharing Funds and work with him to ensure proper internal controls.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

III. Findings and Questioned Costs Related to the Audit of Federal Awards - Continued

Finding 2013-3

Criteria:

Funds in excess of \$5,000 must be spent within in three working days of receipt.

Condition:

Certain grant funds were not spent within the required time.

Cause:

Checks were held in the finance office and not turned over to the Treasurer's Office for deposit in a timely manner.

Effect:

The County was not in compliance with grant agreement.

Auditors' Recommendation:

To improve internal control and operating efficiency, receipts should be turned over to the Treasurer's Office to meet grant requirements.

Management's Response:

Jasper County was paying all grant expenditures up front. The grant funds received were actually reimbursing the County for expenditures already made. Jasper County will ensure in the future that all grant funds are deposited within the three day requirement.

**JASPER COUNTY, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

III. Findings and Questioned Costs Related to the Audit of Federal Awards - Continued

Finding 2013-4

Criteria:

Individuals that sign checks for CDBG funds must have an approved signature on an “authorized signature for payments and checks form”.

Condition:

The Jasper County Treasurer signed all checks for the project and was not an authorized signatory.

Cause:

The Treasurer’s signature was not on an “authorized signature for payments and checks form”.

Effect:

Jasper County was not in compliance with grant terms and conditions.

Recommendation:

To improve internal control and to comply with grant requirements, the Treasurer’s signature should be on the “authorized signature for payments and checks form”.

Management’s Response:

Jasper County will ensure in the future that all signers of grant checks are on an “authorized signature for payments and checks form”.

IV. Prior Audit Findings Related to the Audit of the Financial Statements of Jasper County, South Carolina.

There were no prior audit findings as of June 30, 2012.